OFFERING CIRCULAR DATED JULY 18, 2019

KNIGHTSCOPE, INC.

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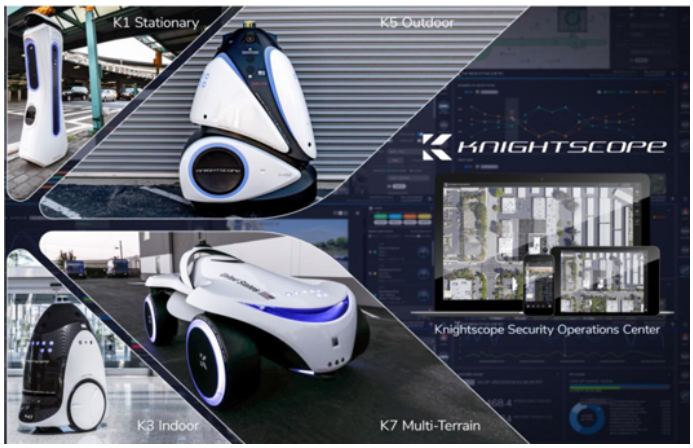

UP TO 6,250,000 SHARES OF SERIES S PREFERRED STOCK CONVERTIBLE INTO SHARES OF CLASS A COMMON STOCK
SEE "SECURITIES BEING OFFERED" AT PAGE 40

MINIMUM INDIVIDUAL INVESTMENT: 125 Shares ($1,000)

	Price Per Share to Public	Total Number of Shares Being Offered	Proceeds to Issuer, before expenses, discounts and commissions*
Series S Preferred Stock	**$ 8.00**	**6,250,000**	**$ 50,000,000**

An Issuer may raise an aggregate of up to $50 million in a 12 month period pursuant to Tier II of Regulation A of the Securities Act in this offering (this "Offering").

*See "Plan of Distribution" for details regarding the compensation payable to placement agents in connection with this offering. The Company has engaged Maxim Group LLC and StartEngine Primary LLC to serve as a placement agent to assist in the placement of its securities.

The Company expects that the amount of expenses of the offering that it will pay will be approximately $3,770,000, not including state filing fees.

The offering will terminate at the earlier of: (1) the date at which the maximum offering amount has been sold, (2) the date that is twelve months from the date this Offering Statement is qualified by the U.S. Securities and Exchange Commission (the "Commission" or the "SEC"), or (3) the date at which the offering is earlier terminated by the Company in its sole discretion, which may occur at any time. The offering is being conducted on a best-efforts basis without any minimum target. The Company may undertake one or more closings on a rolling basis. After each closing, funds tendered by investors will be available to the Company.

In the event the Company raises enough capital and acquires enough round lot investors to qualify for a listing on Nasdaq or another exchange, the Company intends to file an amendment to this Form 1-A to follow the disclosure format of Form S-1 and subsequently to file a Form 8-A in order to register the Company's Common Stock with the Commission and list publicly following the conclusion of this offering.

THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION DOES NOT PASS UPON THE MERITS OR GIVE ITS APPROVAL OF ANY SECURITIES OFFERED OR THE TERMS OF THE OFFERING, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF ANY OFFERING CIRCULAR OR OTHER SOLICITATION MATERIALS. THESE SECURITIES ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE COMMISSION; HOWEVER THE COMMISSION HAS NOT MADE AN INDEPENDENT DETERMINATION THAT THE SECURITIES OFFERED ARE EXEMPT FROM REGISTRATION.

GENERALLY NO SALE MAY BE MADE TO YOU IN THIS OFFERING IF THE AGGREGATE PURCHASE PRICE YOU PAY IS MORE THAN 10% OF THE GREATER OF YOUR ANNUAL INCOME OR NET WORTH. DIFFERENT RULES APPLY TO ACCREDITED INVESTORS AND NON-NATURAL PERSONS. BEFORE MAKING ANY REPRESENTATION THAT YOUR INVESTMENT DOES NOT EXCEED APPLICABLE THRESHOLDS, WE ENCOURAGE YOU TO REVIEW RULE 251(d)(2)(i)(C) OF REGULATION A. FOR GENERAL INFORMATION ON INVESTING, WE ENCOURAGE YOU TO REFER TO www.investor.gov.

This offering is inherently risky. See "Risk Factors" on page 7.

Sales of these securities will commence on or shortly after the date that this Offering Statement is qualified by the Commission.

The Company is following the "Offering Circular" format of disclosure under Regulation A.

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In this Offering Circular, the term "Knightscope," "we," "us," "our" or "the Company" refers to Knightscope, Inc.

THIS OFFERING CIRCULAR MAY CONTAIN FORWARD-LOOKING STATEMENTS AND INFORMATION RELATING TO, AMONG OTHER THINGS, THE COMPANY, ITS BUSINESS PLAN AND STRATEGY, AND ITS INDUSTRY. THESE FORWARD-LOOKING STATEMENTS ARE BASED ON THE BELIEFS OF, ASSUMPTIONS MADE BY, AND INFORMATION CURRENTLY AVAILABLE TO THE COMPANY'S MANAGEMENT. WHEN USED IN THE OFFERING MATERIALS, THE WORDS "ESTIMATE," "PROJECT," "BELIEVE," "ANTICIPATE," "INTEND," "EXPECT" AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS, WHICH CONSTITUTE FORWARD LOOKING STATEMENTS. THESE STATEMENTS REFLECT MANAGEMENT'S CURRENT VIEWS WITH RESPECT TO FUTURE EVENTS AND ARE SUBJECT TO RISKS AND UNCERTAINTIES THAT COULD CAUSE THE COMPANY'S ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTAINED IN THE FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE ON WHICH THEY ARE MADE. THE COMPANY DOES NOT UNDERTAKE ANY OBLIGATION TO REVISE OR UPDATE THESE FORWARD-LOOKING STATEMENTS TO REFLECT EVENTS OR CIRCUMSTANCES AFTER SUCH DATE OR TO REFLECT THE OCCURRENCE OF UNANTICIPATED EVENTS.

SUMMARY

Knightscope, Inc. (the "Company," "we," "us" or "Knightscope") was founded in Mountain View, California in April 2013 and has since developed revolutionary Autonomous Data Machines ("ADMs") with real-time on-site data collection and analysis and an interface, primarily through funding from both strategic and private investors. Knightscope currently offers three products: (1) the K5 ADM ("K5") for outdoor usage, (2) the K3 ADM ("K3") for indoor usage, and (3) the K1 ADM ("K1") for stationary usage indoors or outdoors. The Company also provides access to the Knightscope Security Operations Center ("KSOC") to all of its customers, a browser-based interface that allows customers real time data access. The Company works continuously to improve and upgrade the ADMs and KSOC, and their precise specifications may change over time.

The first version of the Company's flagship K5 was completed in December 2013 and the first version of the K3 was completed in June 2016. The Company began producing the first K1 units during March 2018. The initial proof-of-concept for Knightscope's products and services occurred in May 2015 and we received our first paid order in June 2015. Currently, the Company operates on a Machine-as-a-Service ("MaaS") business model. Since June 2016, we have recognized recurring monthly revenues averaging between $4,200-$8,400 per ADM per month, which includes the ADM rental as well as setup, configuration, maintenance, service, support, data transfer, KSOC access, charging system and unlimited software, firmware and select hardware upgrades when and if available. We charge additional fees for special decals or other markings on the ADMs as well as cellular costs in certain locations.

Our current primary focus is on the deployment and marketing of our core technologies. We are also working on the development and eventual production of the K7 ADM ("K7") for multi-terrain outdoor usage, which will be built on a four-wheel architecture and have the capability to operate in more difficult environments. We continue to generate customer orders and our production of machines is currently conducted out of our primary corporate headquarters located in Mountain View, California.

THE OFFERING

Securities offered:	Maximum of 6,250,000 shares of Series S Preferred Stock (the "Shares"), convertible into shares of Class A Common Stock at a ratio of 1:1, which conversion ratio is subject to further adjustment as described in the section titled "Convertible Promissory Notes and Series S Preferred Stock Warrants, and the Related Conversion of Certain Series m-3 Preferred Stock into Series m-4 Preferred Stock" below
Class B Common Stock outstanding immediately before the Offering (1)	10,179,000 shares
Class A Common Stock outstanding immediately before the Offering (1)	0 shares
Series A Preferred Stock outstanding immediately before the Offering	8,936,015 shares
Series B Preferred Stock outstanding immediately before the Offering	4,653,583 shares
Series m Preferred Stock outstanding immediately before the Offering	5,339,215 shares
Series m-2 Preferred Stock outstanding immediately before the Offering	1,660,756 shares

Series m-3 Preferred Stock outstanding immediately before the Offering	16,757 shares
Series m-4 Preferred Stock outstanding immediately before the Offering	1,432,786 shares
Series S Preferred Stock outstanding immediately before the Offering	469,140 shares
Use of Proceeds	The net proceeds of this offering will be used to for working capital and growth capital purposes, including increasing sales and optimizing production of our ADMs. The details of our plans are set forth in “Use of Proceeds.”

(1) Does not include shares issuable upon the exercise of options issued under the 2014 Equity Incentive Plan, shares allocated for issuance pursuant to the 2014 Equity Incentive Plan, the 2016 Equity Incentive Plan or outstanding warrants.

Selected Risks Associated with Our Business

Our business is subject to a number of risks and uncertainties, including those highlighted in the section titled "Risk Factors" immediately following this summary. These risks include, but are not limited to, the following:

- We are an early stage company and have not yet generated any profits or significant revenues.
- We may not be able to continue to operate the business if we are not successful in securing significant additional fundraising in a short time frame.
- The Company relies on rolling closes of equity infusions for its financings which may pose a risk to having sufficient capital on hand at any point in time.
- The Company has a history of losses and expects to experience future losses. In order to continue operations despite these losses, the Company has financed itself through debt and equity offerings, as well as through the sale and lease back of the majority of its ADMs.
- The Company has a limited operating history by which performance can be gauged.
- The Company is subject to potential fluctuations in operating results.
- The Company's future operating results are difficult to predict and may be affected by a number of factors, many of which are outside of the Company's control.
- Unanticipated obstacles may hinder the execution of the Company's business plan.
- We have a limited number of deployments, and limited market acceptance of our products could harm our business.
- We cannot assure you that we will effectively manage our growth.
- Our costs may grow more quickly than our revenues, harming our business and profitability.
- We expect to raise additional capital through equity and/or debt offerings and to provide our employees with equity incentives. Therefore, your ownership interest in the Company is likely to continue to be diluted.
- All of our assets, possibly including our intellectual property, may be pledged as collateral to a lender.
- The loss of one or more of our key personnel, or our failure to attract and retain other highly qualified personnel in the future, could harm our business.
- If we are unable to protect our intellectual property, the value of our brand and other intangible assets may be diminished and our business may be adversely affected.
- Our financial results will fluctuate in the future, which makes them difficult to predict.
- We may face additional competition.
- Our ability to operate and collect digital information on behalf of our clients is dependent on the privacy laws of jurisdictions in which our ADMs operate, as well as the corporate policies of our clients, which may limit our ability to fully deploy our technologies in various markets.

- We have limited experience in operating our ADMs in a variety of environments and increased interactions may lead to collisions, possible liability and negative publicity.
- Our failure to implement and maintain effective internal control over financial reporting could have resulted or may in the future result in material misstatements in our financial statements, which has and could in the future require us to restate financial statements, cause investors to lose confidence in our reported financial information and could have an adverse effect on our ability to fundraise.
- We realized a gross and net loss for each period since our inception to date, and there can be no assurances that the Company will become profitable in the future. As a result of our recurring losses from operations, negative cash flows from operating activities and the need to raise additional capital, our independent auditor included an emphasis of matter paragraph expressing substantial doubt about the Company's ability to continue as a going concern in its report on our audited financial statements for the year ended December 31, 2018.
- The private security industry is undergoing structural changes in technology and services.
- The Company is controlled by its officers and other stockholders.

RISK FACTORS

The Commission requires the Company to identify risks that are specific to its business and its financial condition. The Company is still subject to all the same risks that all companies in its business, and all companies in the economy, are exposed to. These include risks relating to economic downturns, political and economic events and technological developments (such as hacking and the ability to prevent hacking). Additionally, early-stage companies are inherently more risky than more developed companies. You should consider general risks as well as specific risks when deciding whether to invest.

Selected Risks Related to the Offering

The Company is dependent on the proceeds of this offering and we may need to seek additional funds if the full offering amount is not raised, and the Company will not be solvent after July 2019 without additional fundraising.

We are dependent on the proceeds of this offering to maintain our operations and support our business growth. As of June 30, 2019, the Company had cash on hand of approximately $0.4 million. The Company has projected operating losses and negative cash flows of approximately $1 million per month for the next several months. Without additional fundraising, typically and historically conducted on a rolling close basis, the Company will not be solvent after July 2019. If the maximum offering amount is not raised, we may require additional funds to maintain our operations and respond to business challenges and opportunities, including the need to develop new products or enhance our existing products, enhance our operating infrastructure or acquire complementary businesses and technologies. Accordingly, we may need to engage in subsequent equity or debt financings to secure additional funds. If we raise additional funds through further issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our existing capital stock. Any debt financing secured by us in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities. Such financing could also require us to pledge assets as security for borrowings. If we were to leverage our business by incurring significant debt, we may be required to devote a substantial portion of our cash flow to service that indebtedness. This could require us to modify our business plan, for example, by delaying the expansion of our business. If we are unable to obtain adequate financing or financing on terms satisfactory to us, the Company may have to significantly reduce its operations or delay, scale back or discontinue the development of one or more of its platforms, seek alternative financing arrangements, declare bankruptcy or terminate its operations entirely.

The Shares are not registered with the Commission or any state securities commission, and there is no public market for the Shares.

We have not registered, and may never register, the Shares with the Commission. Currently, no public trading market exists for the Shares and one may never exist. The Shares may not be resold unless we register the Shares with the Commission or an exemption from registration requirements is available for the proposed sale. The Shares will be restricted securities under United States federal and applicable state securities laws and, as such, may not be transferred, sold or otherwise disposed of except in compliance with federal registration and applicable state qualification requirements or unless an exemption from such registration and qualification requirements is available. In addition, investors must comply with any contractual restrictions on transferability applicable to the Shares. The lack of any public market for the Shares limits investors' ability to sell their shares and investors should be prepared to hold such shares indefinitely. We can provide no assurance that there will ever be a public market for the Shares or that investors will ever be able to dispose of their shares at a price they find attractive, or at all.

The offering price for the Shares has been determined by the Company rather than any of the investors.

The offering price of the Shares was determined by the Company. The price of the Shares and the terms of the Shares do not necessarily bear any relationship to established valuation criteria such as earnings, book value or assets. Rather, the price of the Shares was derived based upon various factors including prevailing market conditions, our future prospects and our capital structure. This price does not necessarily accurately reflect the actual value of the Shares or the price that may be realized upon disposition of the Shares.

An investment in the Shares is not a diversified investment.

The Shares do not provide a diversified investment portfolio to investors. Investors will not have exposure to any other classes of securities or to any other asset classes through their investments in the Shares.

Investors may not realize a return on their investment and could lose their entire investment.

Investing in the Shares is highly speculative and involves a high degree of risk. There can be no assurance that investors will realize any return on their investment. Investors should not invest in the Shares unless they are prepared to lose all or part of their investment.

The Company is not providing prospective investors with separate legal, accounting or business advice or representation.

Neither the Company nor any of its affiliates will provide investors with any advice regarding their investments in the Shares. Investors are solely responsible for deciding whether an investment in the Shares meets their investment goals and is generally an appropriate investment for them. In addition, investors are solely responsible for understanding the terms and restrictions of the Shares. Because the Shares constitute a complex investment product, they are only appropriate for highly sophisticated investors. Investors are also advised to seek the counsel of their own investment advisers in this regard. The Company makes no recommendation as to whether prospective investors should invest in the Shares. The Company encourages prospective investors to consult their legal counsel, accountant and/or financial and tax adviser before making any investment decision.

The holders of the Shares may be further diluted by, or your liquidation preference may become junior to, concurrent or subsequent offerings of the Company's capital stock or convertible debt.

If you purchase the Shares in this offering, you may be further diluted, without limitation, by (i) concurrent or subsequent offerings of the capital stock or convertible debt of the Company, including without limitation (a) the Company's ongoing offering of its shares of Series S Preferred Stock pursuant to the Regulation D Offering that it has been conducting since July 11, 2018 and that is ongoing as of the date of this offering circular, and (b) the Company's ongoing offering of convertible promissory notes and warrants to purchase Series S Preferred Stock pursuant to the Convertible Note Financing, and (ii) by the recapitalizations by the Company of its existing or future stock or debt, the most recent of which was the exchange of a portion of the Company's Series m-3 Preferred Stock for shares of its Series m-4 Preferred Stock at a ratio of 1 to 1 in connection with the Convertible Note Financing. Concurrent or subsequent offerings or recapitalizations are and may continue to be conducted at a price lower than the price at which the Shares are offered, and the liquidation preferences and rights offered to the holders of such other securities may be significantly better than those offered to the Shares (such as, for example, those given to the holders of Series m-4 Preferred Stock). The liquidation preference of the Series m-4 Preferred Stock and of any such subsequent offerings is and may in the future also be senior to that of the Shares. The effect of such concurrent or subsequent offerings or recapitalizations of the capital stock or debt of the Company would be to dilute the relative value of the Shares. In addition, further dilution will occur upon exercise of outstanding options and warrants and the exercise of options and warrants granted by us concurrently or in the future.

Subsequent offerings or recapitalizations of the Company's capital stock below the offering price or on terms better than the Shares may adversely affect the market price of the Company's capital stock and may make it difficult for the Company to continue to sell Shares or other equity or debt securities.

If the Company makes one or more subsequent offerings or recapitalizations of its capital stock or debt at a price below the offering price or on terms otherwise better than those awarded to the Shares, it could potentially create a benchmark price below the offering price and could proportionately reduce the relative attractiveness of the Shares to investors, or could otherwise adversely impact the ability of the company to sell the Shares or other equity or debt securities. This may in turn impact on the rights of the securities and could adversely affect the market price of the Company's capital stock, and may make it difficult for the Company to continue to sell Shares or other equity or debt securities.

The Company may apply the proceeds of this offering to uses for which you may disagree.

We will have broad discretion as to how to spend the proceeds from this offering and may spend these proceeds in ways in which you may not agree. We currently intend to use the proceeds of this offering to fund further expansion and for other working capital and general corporate purposes. While we expect to use the proceeds of this offering as described in this memorandum, we may use our remaining cash for other purposes. There can be no assurance that any investment of the proceeds will yield a favorable return, or any return at all.

There is no current market for any of our shares of stock.

There is no formal marketplace for the resale of the Series S Preferred Stock, and the Company currently has no plans to list any of its shares on any over-the-counter, or similar, exchange unless and until it can satisfy exchange listing requirements. Investors should assume that they may not be able to liquidate their investment for some time or be able to pledge their shares as collateral.

Selected Risks Related to the Business

We are an early stage company and have not yet generated any profits or significant revenues.

The Company was formed in 2013 and made its first pilot sales in 2015. Accordingly, the Company has a limited history upon which to evaluate its performance and future prospects. Our current and proposed operations are subject to all the business risks associated with new enterprises. These include likely fluctuations in operating results as the Company makes significant investments in research, development and product opportunities, and reacts to developments in its market, including purchasing patterns of customers, and the entry of competitors into the market. We will only be able to pay dividends on any shares once our board of directors determines that we are financially able to do so. The Company has incurred a net loss and generated limited revenues since inception. We cannot assure you that we will be profitable in the next several years or generate sufficient revenues to pay dividends to the holders of the shares or meet our debt servicing and payment obligations.

We may not be able to continue to operate the business if we are not successful in securing additional fundraising.

We are dependent on additional fundraising in order to sustain its ongoing operations. As of June 30, 2019, the Company had cash on hand of approximately $0.4 million. The Company has projected operating losses and negative cash flows of approximately $1 million per month for the next several months. Without additional fundraising, typically and historically conducted on a rolling close basis, the Company will not be solvent after July 2019. There can be no assurance that the Company will be successful in raising funds in this offering, or acquiring additional funding at levels sufficient to fund its future operations beyond the current cash runway. If the Company is unable to raise additional capital in sufficient amounts or on terms acceptable to it, the Company may have to significantly reduce its operations or delay, scale back or discontinue the development of one or more of its platforms, seek alternative financing arrangements, declare bankruptcy or terminate its operations entirely.

The Company relies on rolling closes of equity infusions for its financings which may pose a risk to having sufficient capital on hand at any point in time.

The Company relies on rolling closes of equity financings to maintain adequate working capital. If we are unable to raise enough money in this offering and in subsequent closes of equity financings, we will have insufficient working capital to pay the costs needed for us to continue operations.

The Company has a history of losses and expects to experience future losses. In order to continue operations despite these losses, the Company has financed itself through debt and equity offerings, as well as through the sale and lease back of the majority of its ADMs.

We have incurred net losses since our inception, and we expect to continue to incur net losses in the future. To date, we have funded our operations from the sale of equity and debt securities, by means of credit facilities as well as by the financing arrangement under which we collateralized fifty (50) ADMs. The financing arrangement that was entered into in February 2019 was a one-time arrangement pursuant to which we were able to obtain cash up front in exchange for the sale of a large portion of our machines, and we are not able to continue to use this method of financing in the future, since the majority of our machines have already been sold. We expect to continue to increase operating expenses as we implement our business strategy, which include development, sales and marketing, and general and administrative expenses and, as a result, we expect to incur additional losses and continued negative cash flow from operations for the foreseeable future. We will need to generate significant revenues to achieve profitability. There can be no assurance that we will ever generate sufficient revenues to achieve profitability. If we do achieve profitability in some future period, we cannot assure you that we can sustain profitability on a quarterly or annual basis in the future. In addition, we may not achieve profitability before we have expended the proceeds to be raised in this offering. If our revenues grow more slowly than we anticipate or if our operating expenses exceed our expectations or cannot be adjusted accordingly, our business, operating results and financial condition will be materially and adversely affected.

The Company has a limited operating history by which performance can be gauged.

Any evaluation of our business and our prospects must be considered in light of our limited operating history and the risks and uncertainties encountered by companies in our stage of development. Further, our industry is characterized by rapid technological change, changing customer needs, evolving industry standards and frequent introduction of new products and services. We have encountered and will continue to encounter risks and difficulties frequently experienced by growing companies in rapidly changing industries. If we do not address these risks successfully, our operating results will be harmed.

The Company is subject to potential fluctuations in operating results.

Our sales cycles can be long and unpredictable, and our sales efforts require considerable time and expense. As a result, our sales are difficult to predict and may vary substantially from quarter to quarter, which may cause our operating results to fluctuate significantly. We spend substantial amount of time, effort and money in our sales efforts without any assurance that our efforts will produce any revenue and the timing of our revenue is difficult to predict. Our sales efforts involve educating our customers about the use and benefit of our new products, including their technical capabilities and potential cost savings to the customers. Customers typically undertake a significant evaluation process that has in the past resulted in a lengthy sales cycle. In addition, product purchases are frequently subject to budget constraints, regulatory and administrative approvals, and other delays. If sales expected from a specific customer for a particular quarter are not realized in that quarter or at all, our business, operating results and financial condition could be materially and adversely affected.

The Company's future operating results are difficult to predict and may be affected by a number of factors, many of which are outside of the Company's control.

The market for advanced physical security technology is relatively new and unproven and is subject to a number of risks and uncertainties. The industry is characterized by rapid change, new and complex technology and intense competition. Our ability to gain market share depends upon our ability to satisfy customer demands, enhance existing products and services and develop and introduce new products and services. Our ability to gain market share also depends on a number of factors beyond our control, including the perceived value associated with our products and services, the public's perception of the use of robots to perform tasks traditionally reserved for humans, and our customers' acceptance that security services can be performed more efficiently and cost-effectively through the use of our products and ancillary services. If any of these factors turns against us, our future operating results could be materially and adversely affected.

Unanticipated obstacles may hinder the execution of the Company's business plan.

Because of the number and range of the assumptions underlying our projections and forward-looking statements, many of which are subject to significant uncertainties and contingencies that are beyond our reasonable control, some of the assumptions inevitably will not materialize and unanticipated obstacles may occur subsequent to the date of this offering, including:

- Our failure to maintain and grow the client base;
- Our clients may suffer downturns, financial instability or be subject to mergers or acquisitions;
- Our failure to develop and introduce new products;
- Adverse changes affecting our suppliers and other third-party service providers;
- Adverse litigation judgments, settlements, or other litigation-related costs; and
- Adverse changes in business or macroeconomic conditions including regulatory changes.

The occurrence of any of these unanticipated obstacles will hinder the execution of our business plan and adversely affect our operating results.

We have a limited number of deployments, and limited market acceptance of our products could harm our business.

The market for advanced physical security technology is relatively new and unproven and is subject to a number of risks and uncertainties. The numbers, types and locations of ADMs in service vary depending on the duration of each customer contract, customer demand and similar factors. As a result, the numbers, types and locations of ADMs in service that are currently deployed may not be representative of customer contracts and customer demand in the future. In order to grow our business and extend our market position, we will need to place into service more of the recently-introduced K1 ADMs, expand our service offerings, including by developing the K7 ADM, and expand our presence nationwide. Our ability to expand the market for our products depends on a number of factors, including the cost, performance and perceived value associated with our products and services. Furthermore, the public's perception of the use of robots to perform tasks traditionally reserved for humans may negatively affect demand for our products and services. Ultimately, our success will depend largely on our customers' acceptance that security services can be performed more efficiently and cost effectively through the use of our ADMs and ancillary services.

We cannot assure you that we will effectively manage our growth.

Knightscope's employee headcount and the scope and complexity of our business have increased significantly since we were first formed, and Knightscope expects to continue hiring additional employees. The growth and expansion of our business and products create significant challenges for our management, operational, and financial resources, including managing multiple relationships and interactions with users, distributors, vendors, and other third parties. As the Company continues to grow, our information technology systems, internal management processes, internal controls and procedures and production processes may not be adequate to support our operations. To ensure success, we must continue to improve our operational, financial, and management processes and systems and to effectively expand, train, and manage our employee base. As we continue to grow, and implement more complex organizational and management structures, we may find it increasingly difficult to maintain the benefits of our corporate culture, including our current team's efficiency and expertise, which could negatively affect our business performance.

Our costs may grow more quickly than our revenues, harming our business and profitability.

Providing Knightscope's products is costly because of our research and development expenses, production costs, operating costs and need for employees with specialized skills. We expect our expenses to continue to increase in the future as we expand our product offerings beyond the K1, K3 and K5, expand production capabilities and hire additional employees. Historically, Knightscope's costs have increased each year due to these factors and the Company expects to continue to incur increasing costs, in particular for working capital to purchase inventory, marketing and product deployments as well as costs of customer support in the field. Our expenses may be greater than we anticipate, which would have a negative impact on our financial position, assets and ability to invest further in the growth and expansion of the business. In addition, expansion across the country will require increased marketing, sales, promotion and other operating expenses. Further, as additional competitors enter our market, we expect an increased pressure on production costs and margins.

We expect to raise additional capital through equity and/or debt offerings and to provide our employees with equity incentives. Therefore, your ownership interest in the Company is likely to continue to be diluted and subordinated.

In order to fund future growth and development, the Company will likely need to raise additional funds in the future by offering shares of its preferred stock and/or other classes of equity or debt that convert into shares of preferred or common stock, any of which offerings would dilute the ownership percentage of investors in this offering. Furthermore, if and then the Company raises debt, including, but not limited to the notes issued in the Convertible Note Financing being conducted contemporaneously with conducting this offering, the holders of the debt will have priority over holders of common and preferred stock, including the Shares issuable in this offering, and the Company may accept terms that restrict its ability to incur more debt.

All of our assets, possibly including our intellectual property, may be pledged as collateral to a lender.

From time to time, the Company may utilize a variety of forms of debt or other financing arrangements, for example the financing arrangement that we entered into in February 2019 under which we collateralized fifty (50) ADMs, and credit facilities that may contain covenants that limit our ability to engage in specified types of transactions. These covenants limit our ability to, among other things:

- incur certain additional indebtedness;
- pay dividends on, repurchase or make distributions in respect our capital stock;
- make certain investments;
- sell or dispose of certain assets;
- grant liens; and
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets.

A breach of any of these covenants could result in a default under the credit facility and permit the lender to cease making loans to us. Upon the occurrence of an event of default under the loan agreement, the lender could elect to declare all amounts outstanding thereunder to be immediately due and payable. We may pledge a significant portion of our assets, inclusive of our intellectual property, as collateral under to support a new loan agreement. If the lender accelerates the repayment of borrowings, we may not have sufficient assets to repay them and we could experience a material adverse effect on our financial condition and results of operations.

The loss of one or more of Knightscope's key personnel, or Knightscope's failure to attract and retain other highly qualified personnel in the future, could harm our business.

Knightscope currently depends on the continued services and performance of key members of its management team, in particular, its founders, William Santana Li and Stacy Dean Stephens as well as Marina Hardof, its executive vice president and Chief Financial Officer. If we cannot call upon them or other key management personnel for any reason, our operations and development could be harmed. The Company has not yet developed a succession plan. Furthermore, as the Company grows, it will be required to hire and attract additional qualified professionals such as accounting, legal, finance, production, service and engineering experts. The Company may not be able to locate or attract qualified individuals for such positions, which will affect the Company's ability to grow and expand its business.

If we are unable to protect our intellectual property, the value of our brand and other intangible assets may be diminished and our business may be adversely affected.

Knightscope relies and expects to continue to rely on a combination of confidentiality agreements with its employees, consultants, and third parties with whom it has relationships, as well as trademark, copyright, patent, trade secret, and domain name protection laws, to protect its proprietary rights. The Company has filed in the United States various applications for protection of certain aspects of its intellectual property, and currently holds four patents. However, third parties may knowingly or unknowingly infringe our proprietary rights, third parties may challenge proprietary rights held by Knightscope, and pending and future trademark and patent applications may not be approved. In addition, effective intellectual property protection may not be available in every country in which we intend to operate in the future. In any or all of these cases, we may be required to expend significant time and expense in order to prevent infringement or to enforce our rights. Although we have taken measures to protect our proprietary rights, there can be no assurance that others will not offer products or concepts that are substantially similar to those of Knightscope and compete with our business. If the protection of our proprietary rights is inadequate to prevent unauthorized use or appropriation by third parties, the value of our brand and other intangible assets may be diminished and competitors may be able to more effectively mimic our service and methods of operations. Any of these events could have an adverse effect on our business and financial results.

Our financial results will fluctuate in the future, which makes them difficult to predict.

Knightscope's financial results have fluctuated in the past and will fluctuate in the future. Additionally, we have a limited operating history with the current scale of our business, which makes it difficult to forecast future results. As a result, you should not rely upon the Company's past financial results as indicators of future performance. You should take into account the risks and uncertainties frequently encountered by rapidly growing companies in evolving markets. Our financial results in any given quarter can be influenced by numerous factors, many of which we are unable to predict or are outside of our control, including:

- Knightscope's ability to maintain and grow its client base;
- Our clients may suffer downturns, financial instability or be subject to mergers or acquisitions;
- The development and introduction of new products by Knightscope or its competitors;
- Increases in marketing, sales, service and other operating expenses that we may incur to grow and expand our operations and to remain competitive;
- Knightscope's ability to achieve gross margins and operating margins;
- Changes affecting our suppliers and other third-party service providers;
- Adverse litigation judgments, settlements, or other litigation-related costs; and
- Changes in business or macroeconomic conditions including regulatory changes.

We may face additional competition.

We are aware of a number of other companies that are developing physical security technology in the United States and abroad that may potentially compete with our technology and services. These or new competitors may have more resources than us or may be better capitalized, which may give them a significant advantage, for example, in offering better pricing than the Company, surviving an economic downturn or in reaching profitability. There can be no assurances that we will be able to compete successfully against existing or emerging competitors. Additionally, existing private security firms may also compete on price by lowering their operating costs, developing new business models or providing other incentives.

Our ability to operate and collect digital information on behalf of our clients is dependent on the privacy laws of jurisdictions in which our ADMs operate, as well as the corporate policies of our clients, which may limit our ability to fully deploy our technologies in various markets.

Our ADMs collect, store and may analyze certain types of personal or identifying information regarding individuals that interact with the ADMs. While we maintain stringent data security procedures, the regulatory framework for privacy and security issues is rapidly evolving worldwide and is likely to remain uncertain for the foreseeable future. Federal and state government bodies and agencies have in the past adopted, and may in the future adopt, laws and regulations affecting data privacy, which in turn affect the breadth and type of features that we can offer to our clients. In addition, our clients have separate internal policies, procedures and controls regarding privacy and data security with which we may be required to comply. Because the interpretation and application of many privacy and data protection laws are uncertain, it is possible that these laws may be interpreted or applied in a manner that is inconsistent with our current data management practices or the features of our products. If so, in addition to the possibility of fines, lawsuits and other claims and penalties, we could be required to fundamentally change our business activities and practices or modify our products, which could have an adverse effect on our business. Additionally, we may become a target of information-focused or data collection attacks and any inability to adequately address privacy and security concerns, even if unfounded, or comply with applicable privacy and data security laws, regulations, and policies, could result in additional cost and liability to us, damage our reputation, inhibit sales, and adversely affect our business. Furthermore, the costs of compliance with, and other burdens imposed by, the laws, regulations, and policies that are applicable to the businesses of our clients may limit the use and adoption of, and reduce the overall demand for, our products. Privacy and data security concerns, whether valid or not valid, may inhibit market adoption of our products, particularly in certain industries and foreign countries. If we are not able to adjust to changing laws, regulations, our business may be harmed.

We have limited experience in operating our ADMs in a variety of environments and increased interactions may lead to collisions, possible liability and negative publicity.

Our ADMs operate autonomously in environments, such as shopping malls, parking lots and stadiums, that are surrounded by various moving and stationary physical obstacles and by humans and vehicles. Such environments are prone to collisions, unintended interactions and various other incidents, regardless of our technology. Therefore, there is a possibility that our ADMs may be involved in a collision with any number of such obstacles. Our ADMs contain a number of advanced sensors that are designed to effectively prevent any such incidents and are intended to stop any motion at the detection of intervening objects. Nonetheless, real-life environments, especially those in crowded areas, are unpredictable and situations may arise in which the ADMs may not perform as intended. Recent highly publicized incidents of autonomous vehicle and human interactions have focused consumer attention on the safety of such systems. We continuously test the ADMs in a number of unpredictable environments and continue to improve each model's obstacle-sensing and crash-prevention technology. Furthermore, the maximum speed of the ADMs typically does not exceed 3 mph, which is not different from normal human walking pace and is unlikely to lead to any significant damage. However, there can be no assurance that a collision, with property or with humans, will not occur, which could damage the ADM, or lead to personal injury or property damage and may subject us to lawsuits. Moreover, any such incident, even without damage, may lead to adverse publicity for us. Such lawsuits or adverse publicity would negatively affect our brand and harm our business, prospects, financial condition and operating results.

Our failure to implement and maintain effective internal control over financial reporting could have resulted or may in the future result in material misstatements in our financial statements, which has and could in the future require us to restate financial statements, cause investors to lose confidence in our reported financial information and could have an adverse effect on our ability to fundraise.

As we previously reported on our filings with the Commission, the Company restated its 2016 financial statements on October 6, 2017 because certain accounting principles were incorrectly applied. In connection with the errors detected in applying certain accounting principles, Company management determined that as of December 31, 2017 a material weakness existed in internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected and corrected on a timely basis. The material weakness identified was an insufficient complement of resources with an appropriate level of accounting knowledge, experience and training commensurate with our structure and financial reporting requirements. We initiated various remediation efforts to address these items. For example, in June 2018 the Company hired experienced chief financial officer, who among other things oversees financial reporting. Additional material weaknesses in our internal control over financial reporting may be identified in the future. Any failure to maintain existing or implement required new or improved controls, or any difficulties we encounter in their implementation, could result in additional material weaknesses, cause us to fail to meet our periodic reporting obligations or result in material misstatements in our financial statements. The existence of a material weakness could result in errors in our financial statements that could result in a restatement of financial statements, and cause us to fail to meet our reporting obligations. If we are unable to effectively remediate material weaknesses in a timely manner, investors could lose confidence in the accuracy and completeness of our financial reports, which could have an adverse effect on our ability to sell our securities and to conduct future fundraising.

We realized a gross and net loss for each period since our inception to date, and there can be no assurances that the Company will become profitable in the future.

We have incurred a gross loss and net loss in all periods since our inception, and while we are taking steps to achieve a gross profit and profitability, we expect that we will continue to report gross losses and net losses for the foreseeable future. We are evaluating and taking a number of near-term actions to achieve a gross profit and work towards profitability, and expect that as the Company matures, we will obtain expertise, economies of scale and efficiency that should increase revenue and reduce costs over the medium to long-term. However, there can be no assurances that these actions will prove to be effective. If we fail to increase our revenue and/or manage our expenses, we may not achieve or sustain profitability in the future.

The private security industry is undergoing structural changes in technology and services.

The private security industry is undergoing structural changes, consolidation, changing customer needs, evolving industry standards and introduction of new products and services. We have encountered and will continue to encounter risks and difficulties frequently experienced by growing companies in such industries. If we do not address these risks successfully, our business will be harmed. Our ability to gain market share depends upon our ability to satisfy customer requirements, enhance existing products and develop and introduce new products. Further, we expect the intensity of competition to increase in the future. Increased competitiveness may result in reductions in the prices of our products and services, lower-than-expected gross margins or loss of market share, any of which would harm our business.

The Company is controlled by its officers and early stage investors.

The Company's officers and sole director, in particular, William Santana Li and Stacy Dean Stephens, currently hold approximately 29.73% and 11.47% of the Company's voting securities, respectively, and at the conclusion of this offering will continue to hold a significant portion of the Company's voting rights. Current stockholders of Class B Common Stock or holders of stock convertible into Class B Common Stock of the Company, including holders of Series A Preferred Stock, Series B Preferred Stock and Series m-2 Preferred Stock, are entitled to ten votes for each such share held at a regular meeting of stockholders, subject to the provisions of the Delaware General Corporate Law and the relevant provisions of the Company's amended and restated certificate of incorporation. Current stockholders of Class A Common Stock or holders of stock convertible into Class A Common Stock of the Company are entitled to one vote for each such share held at a regular meeting of stockholders, subject to the provisions of the Delaware General Corporate Law and the relevant provisions of the Company's amended and restated certificate of incorporation. The Series S Preferred Stock will also have no series-based votes or protections. Therefore, investors in this offering will not have the ability to control the board of directors and will not have significant ability to control any specific vote of stockholders.

DILUTION

Dilution means a reduction in value, control or earnings of the shares the investor owns.

Immediate dilution

An early-stage company typically sells its shares (or grants options over its shares) to its founders and early employees at a very low cash cost, because they are, in effect, putting their "sweat equity" into the company. When the Company seeks cash investments from outside investors, like you, the new investors typically pay a much larger sum for their shares than the founders or earlier investors, which means that the cash value of your stake is diluted because all the shares are worth the same amount, and you paid more than earlier investors for your shares.

The following table presents the Company's capitalization as of July 11, 2019 and compares the price that new investors are paying for their shares with the effective cash price paid by existing stockholders, assuming full conversion of preferred stock and full vesting and exercise of outstanding stock options, and based on the assumption that the price per share in this offering is $8.00. This method gives investors a better picture of what they will pay for their investment compared to the Company's insiders.

INCLUDING ALL ISSUED (NON-FORFEITED) OPTIONS AND SHARES:

	Dates Issued	Issued Shares	Potential Shares	Total Issued and Potential Shares	Effective Cash Price per Share at Issuance or Potential Conversion
Common Stock	2013-2015	10,179,000		10,179,000	$ 0.0038(1)
Series A Preferred Stock	2014-2015	4,200,889		4,200,889	0.8932
Series A Preferred Stock (issued in exchange for conversion of convertible notes)	2014	4,735,126		4,735,126	0.3317(2)
Series B Preferred Stock	2015-2016	4,322,005		4,322,005	2.0401
Series B Preferred Stock (issued in exchange for conversion of convertible notes)	2016	331,578		331,578	1.7340(2)
Series m Preferred Stock	2017	5,339,215		5,339,215	$ 3.00
Series m-2 Preferred Stock	2018	1,660,756		1,660,756	$ 3.00
Series m-3 Preferred Stock	2017-2018	16,757	0	16,757	$ 3.50
Series m-4 Preferred Stock	2019	1,432,786	0(3)	1,432,786	$ 3.50(3)
Series S Preferred Stock	2018-2019	469,140		469,140	$ 8.00
Outstanding Stock Options	Various		7,679,635(4)	7,679,635	$ 0.99(5)
Warrants	Various		2,166,735(4)	2,166,735	$ 3.72(5)
Total Common Share Equivalents		32,687,252	9,846,370	42,533,622	
Investors in this offering, assuming $50 million raised		6,250,000		6,250,000	$ 8.0000
Total after inclusion of this offering		38,937,252	9,846,370	48,783,622	

(1) Common shares issued for various prices ranging from $0.001 to $0.16 per share. Weighted average pricing presented.
(2) Convertible notes were converted at a discount to the triggering preferred stock offering. The table presents the effective pricing of the conversion based on the original principal and accrued interest on the note.
(3) 1,432,786 shares of Series m-4 Preferred Stock were issued in exchange for 1,432,786 shares of Series m-3 Preferred Stock at a ratio of 1:1 in connection with the investors receiving such stock investing additional capital into the Company pursuant to the terms of the Convertible Note Financing.
(4) Assumes conversion at exercise price of all outstanding warrants and options.
(5) Stock option and warrant pricing is the weighted average exercise price of outstanding options and warrants, respectively.

Future dilution

Another important way of looking at dilution is the dilution that happens due to future actions by the company. The investor's stake in a company could be diluted due to the company issuing additional shares. In other words, when the company issues more shares, the percentage of the company that you own will go down, even though the value of the company may go up. You will own a smaller piece of a larger company. This increase in number of shares outstanding could result from a stock offering (such as an initial public offering, another crowdfunding round, a venture capital round, angel investment), employees exercising stock options, or by conversion of certain instruments (e.g., convertible bonds, preferred shares or warrants) into stock.

If the company decides to issue more shares, an investor could experience value dilution, with each share being worth less than before, and control dilution, with the total percentage an investor owns being less than before. There may also be earnings dilution, with a reduction in the amount earned per share (though this typically occurs only if the company offers dividends, and most early stage companies are unlikely to offer dividends, preferring to invest any earnings into the company).

The type of dilution that hurts early-stage investors most occurs when the company sells more shares in a “down round,” meaning at a lower valuation than in earlier offerings. An example of how this might occur is as follows (numbers are for illustrative purposes only):

- In June 2014, Jane invests $20,000 for shares that represent 2% of a company valued at $1 million.
- In December, the company is doing very well and sells $5 million in shares to venture capitalists on a valuation (before the new investment) of $10 million. Jane now owns only 1.3% of the company but her stake is worth $200,000.
- In June 2015, the company has run into serious problems and in order to stay afloat it raises $1 million at a valuation of only $2 million post money (the “down round”). Jane now owns only 0.89% of the company and her stake is worth only $17,800.

This type of dilution might also happen upon conversion of convertible notes into shares. Typically, the terms of convertible notes issued by early-stage companies provide that in the event of another round of financing, the holders of the convertible notes get to convert their notes into equity at a “discount” to the price paid by the new investors, i.e., they get more shares than the new investors would for the same price. Additionally, convertible notes may have a “price cap” on the conversion price, which effectively acts as a share price ceiling. Either way, the holders of the convertible notes get more shares for their money than new investors. In the event that the financing is a “down round,” the holders of the convertible notes will dilute existing equity holders, and even more than the new investors do, because they get more shares for their money. Investors should pay careful attention to the amount of convertible notes that the company has issued and may issue in the future, and the terms of those notes.

If you are making an investment expecting to own a certain percentage of the Company or expecting each share to hold a certain amount of value, it is important to realize how the value of those shares can decrease by actions taken by the Company. Dilution can make drastic changes to the value of each share, ownership percentage, voting control, and earnings per share.

USE OF PROCEEDS TO ISSUER

The net proceeds of a fully subscribed $50,000,000 offering, after estimated total offering expenses and commissions will be approximately $46,000,000. Knightscope plans to use these proceeds as follows:

New Machines-in-Network	$	15,000,000
K1 R&D	$	1,000,000
K3 R&D	$	1,000,000
K5 R&D	$	1,000,000
K7 R&D	$	2,000,000
SG&A	$	15,000,000
Expenses & Commissions	$	4,000,000
Financing arrangements payoff	$	1,350,000
General corporate and business purposes	$	9,650,000
TOTAL	**$**	**50,000,000**

- Approximately $15,000,000 of the proceeds will be used to fund the manufacture of additional K1, K3, and K5 ADMs and related investments in SG&A of $15,000,000 to support the expansion nationwide. The total includes additional expenses related to product development of new versions, technological upgrades, system improvements, infrastructure and production.

- Approximately $5,000,000 of the proceeds will be used for research and development (“R&D”), to fund additional product development of new versions of the ADMs, technological upgrades, systems and process improvements.

- Approximately $10,000,000 of the proceeds, which represents approximately 20% of the net proceeds, will be used for general corporate and business purposes (“SG&A”), a portion of which may be used to pay employee and executive compensation.

- Approximately $4,000,000 of the proceeds will be used to pay general overhead company expenses as well as commissions.

- Approximately $1,350,000 of the proceeds will be used as payoff of financing arrangements that were previously entered into with Farnam Street Financial (“Farnam”), to repurchase from Farnam fifty (50) of our ADMs, which were sold to Farnam in February 2019 and are being leased back by the Company in order to service its customers pursuant to the Financing Arrangement.

- The remainder of the proceeds will be used for general corporate and business purposes.

If the offering size were to be at 75% of our target proceeds, at $37,500,000 in the aggregate, then we estimate that the net proceeds to the Company would be approximately $34,500,000. In such an event, Knightscope would adjust its use of proceeds by limiting the speed of growth, delaying or canceling key initiatives and maintaining a smaller number of employees.

If the offering size were to be $25,000,000 in line with our prior Reg A+ offering, then we estimate that the net proceeds to the Company would be approximately $23,000,000. In such an event, Knightscope would adjust its use of proceeds by limiting the speed of growth, delaying or canceling key initiatives and maintaining a smaller number of employees.

If the offering size were to be at 25% of our target proceeds, at $12,500,000 in the aggregate, then we estimate that the net proceeds to the Company would be approximately $11,000,000. In such an event, Knightscope would adjust its use of proceeds by limiting the speed of growth, delaying or canceling key initiatives and maintaining a smaller number of employees.

Because the offering is a “best efforts” offering without a required minimum offering amount, we may close the offering without sufficient funds for all the intended purposes set out above. There is no arrangement to return funds to subscribers if all of the securities offered are not sold.

The Company reserves the right to change the above use of proceeds without notice if management believes it is in the best interests of the Company.

THE COMPANY'S BUSINESS

Overview

Knightscope, Inc. was founded in Mountain View, California in April 2013 and has since developed revolutionary Autonomous Data Machines ("ADMs") with real-time on-site data collection and analysis and an interface, primarily through funding from both strategic and private investors. Knightscope currently offers three products: (1) the K5 ADM ("K5") for outdoor usage, (2) the K3 ADM ("K3") for indoor usage, and (3) the K1 ADM ("K1") for stationary usage indoors or outdoors. The Company also provides access to the Knightscope Security Operations Center ("KSOC") to all of its customers, a browser-based interface that allows customers real time data access. The Company works continuously to improve and upgrade the ADMs and KSOC, and their precise specifications may change over time.

The first version of the Company's flagship K5 was completed in December 2013 and the first version of the K3 was completed in June 2016. The Company began producing the first K1 units during March 2018. The initial proof-of-concept for Knightscope's products and services occurred in May 2015 and we received our first paid order in June 2015. Currently, the Company operates on a Machine-as-a-Service ("MaaS") business model. Since June 2016, we have recognized recurring monthly revenues averaging between $4,200-$8,400 per ADM per month, which includes the ADM rental as well as setup, configuration, maintenance, service, support, data transfer, KSOC access, charging system and unlimited software, firmware and select hardware upgrades when and if available. We charge additional fees for special decals or other markings on the ADMs as well as cellular costs in certain locations.

Our current primary focus is on the deployment and marketing of our core technologies. We are also working on the development and eventual production of the K7 ADM ("K7") for multi-terrain outdoor usage, which will be built on a four-wheel architecture and have the capability to operate in more difficult environments. We continue to generate customer orders and our production of machines is currently conducted out of our primary corporate headquarters located in Mountain View, California.

ADMs

The K3 and K5 are designed to roam a geo-fenced area autonomously by utilizing numerous sensors and lasers, either on a random basis or based on a particular patrolling algorithm. They can successfully navigate around people, vehicles and objects in dynamic indoor or outdoor environments. To do this, the ADMs employ a number of autonomous motion and self-driving technologies, including lasers, ultrasonic sensors, inertial measurement unit ("IMU"), and wheel encoders as well as a robust navigation technology stack. Each ADM can generate 1 to 2 terabytes of data per week and over 90 terabytes of data per year, which is accessible for review and analysis via the KSOC. Customers can recall, review, and save the data for analysis, forensic or archival purposes. Each ADM is able to autonomously charge and recharge on a 24-hour basis, 7 days per week without human intervention. Customers may also utilize the patrol scheduler feature on the KSOC to schedule periodic or regular patrols during certain times for alternative patrol routes.

The dimensions of the K5 are as follows:

- Height: 5 feet
- Width: 3 feet
- Weight: 398 pounds

The K5 is designed to be used primarily outdoors in such environments as open air malls, corporate campuses, hospitals, stadiums, retailers, warehouses, logistics facilities, college campuses, airports, train stations and multi-level parking structures. The K5's advanced anomaly detection features include:

- 360 degree high definition night and day video capture positioned at eye-level;
- Live streaming and recorded high definition video capabilities;
- Automatic license plate recognition;
- Parking space utilization feature, which provides information regarding use and utilization of parking spaces in any given parking structure;

- Parking meter feature, which assesses the top 10 vehicles and their “dwell time” in a particular location. If a vehicle is parked for more than 24 hours in the same location, a user can receive an alert or have the data flagged. The parking meter feature can also track the top 10 stationary vehicles in an area and accurate parking meter readout for each such vehicle;
- People detection, which can alert a user in real-time of people detected on their premises, together with 360-degree recorded high-definition video. A user can use the time-stamp of the recording to search through other data detected to assess and better understand other conditions in the area patrolled by the ADM;
- Thermal imaging, which allows for triggered alerts based on temperature. For example, assisting with alerts regarding increased risks of fires;
- Two-way communication feature may be utilized for both public announcements and avoidance of human physical confrontations with dangerous individuals;
- Signal detection can be utilized as a rogue router detector for sensitive locations such as a data center.

The dimensions of the K3 are as follows:

- Height: 4 feet
- Width: 2 feet
- Weight: 340 pounds

The K3 is tailored for indoor usage, allowing it to autonomously navigate complex dynamic indoor environments such as an indoor mall, office building, manufacturing facility, stadium plaza, warehouse or school. It has the same suite of advanced anomaly detection capabilities, but the parking utilization, parking meter and license plate recognition features are turned off.

The ADMs include several communications features. The units can transfer data over both 4G LTE networks and Wi-Fi. Each one has an available intercom that may be used for two-way communication with security. In addition, one or multiple units may be used as a live broadcast public address system or to deliver pre-recorded messages.

The ADMs run on rechargeable batteries. They are configured to patrol autonomously for approximately two to three hours, following which, without human intervention, the ADMs find and dock to a charging station, recharging for approximately 20 minutes before resuming patrol. The ADMs remain operational during the charging period, providing 24/7 uptime to customers.

The K1 carries all of the relevant features from the K3 and K5 but in a stationary format. It can be used indoors or outdoors and especially at ingress/egress points for both people and vehicles.

The dimensions of the K1 are as follows:

- Height: 5.75 feet
- Width: 2.7 feet
- Weight: 150 pounds

KSOC

The KSOC is our intuitive, browser-based interface that, coupled with ADMs, provides security professionals with “smart mobile eyes and ears.” Once alerted of an abnormal event, such as a person spotted during a specific time in a particular location, authorized users can view the live stream of data in the KSOC from each of the ADMs in the user’s network, accessing it from a security operations center or a remote laptop.

Products in Development

The Company is in the process of developing the K7 multi-terrain ADM. The Company unveiled the concept prototype of the K7 ADM at the ASIS International conference in Las Vegas in September 2017. The K7 is expected to have the same features as the K5, but to employ four wheels for use on more rugged outdoor terrain such as dirt, sand, and gravel. We expect that the K7 could be utilized at airfields, power utilities, borders, solar farms, wind farms or oil or gas fields. While this technology builds on a great deal of our technology stack, we anticipate that its development will require additional time before it can be launched into full-scale production.

We are also using existing working capital in part to finance the development of these new ADMs, capabilities and features.

Our current strategy is to focus on the United States for the foreseeable future before considering global expansion.

KNOC

The Company has built a custom set of tools that enables it to manage and monitor the network of ADMs operating in the field nationwide, which it refers to as the Knightscope Network Operations Center ("KNOC"). These tools allow our team to monitor the health of the ADMs down to the millisecond, with dozens of alerts related to critical indicators and statistics, including charging, software, navigation and temperatures. We also use the KNOC to execute over-the-air software upgrades, patches and other related items. The KNOC is staffed 24/7 by the Company.

Market and Business Model

Knightscope's products are designed to supplement the work of security professionals and are suitable for most environments that require security patrol coverage. In the United States there are more than 8,000 private security firms and nearly 18,000 law enforcement agencies – a fragmented marketplace that we believe offers numerous opportunities for disruption.

We have used a large portion of our working capital to scale our production of ADMs to enable us to sell our MaaS offering to more customers in California and nationwide. With the nationwide expansion in mind, we have partnered with one of our strategic investors, Konica Minolta, Inc., to train their technicians, which number over 2,000 across the United States, to service, maintain and support our machines-in-network and assist us with our nationwide scaling efforts.

Knightscope operates on a Machine-as-a-Service business model. We enter into contracts with typical duration of one year that generate annual revenues in amounts approximately between $4,200 and $8,400 per ADM depending on the ADM model and/or selected offering package. We believe that this price range is a better economic proposition for our customers relative to a human guard or a mobile vehicle patrol unit operating 24/7.

In order to obtain capital to finance our operations, in February 2019 we entered into a financing arrangement with Farnam Street Financial ("Farnam") for $3,000,000 ("Financing Arrangement"). Under this Financing Arrangement, we collateralized fifty (50) ADMs and have an initial repayment period of two years for a monthly fee of $121,129 per month plus tax and an option to purchase these ADMs back for $1,350,000 plus tax or, at the end of the two year period (ending in March 2021) we can elect to extend the repayment period for additional year at a monthly fee of $66,621 per month plus tax with an final payment of $600,000 plus tax at the end of the additional year. The effective interest rate under the two and or three-year repayment periods is 35% and 31%, respectively.

We market our products at trade shows, including GSX, ISC West, ISC East as well as Company-sponsored private events and on-site private demonstrations. We regularly advertise in the media through various online and offline channels.

Competition

At the moment, we are not aware of any direct competitors in the advanced physical security technology space that have viable commercial products in the field at the same scale as Knightscope with actual paying customers. It is a common misconception among some people outside of the security industry that we compete against closed-circuit television (CCTV) providers. They are not in fact competitive products because cameras do not provide a physical presence, are typically used for forensics after an event, and do not offer a client the plethora of capabilities available in an ADM/KSOC combination. We believe that having these two types of systems working together provides a more holistic approach to reducing crime. While traditional human guards provide a closer comparator or competitor in some cases, we believe that utilizing our "Software+Hardware+Humans" approach is much more effective.

We are aware of a self-funded start-up, SMP Robotics Services Corp. ("SMP"), which produces an outdoor autonomous security platform that it markets through third-party distributors. We had previously listed Gamma 2 Robotics and SHARP Electronics as potential competitors in this space. However, according to industry sources, we understand that both Gamma 2 Robotics and SHARP Electronics have ceased operations in the security robot space after failed attempts to enter the market and SMP also ceased efforts with its North American distributor. Cobalt Robotics, an early stage company, announced in early 2017 that it had released an autonomous mobile robot designed for indoor security applications at nighttime only on a trial pilot and in March 2018 that it completed its Series A financing.

We compete indirectly with private physical security firms that provide customers with security personnel and other security services. There are more than 8,000 such firms in the United States alone. Our ADMs offer customers a significant cost reduction relative to the cost of human security guards. In addition, ADMs offer significantly more capabilities, such as license plate detection, data gathering, thermal imaging and people detection that are delivered consistently, on a 24-hour, 7 day per week basis, without regular human intervention. In certain cases, our technology complements and improves the operations of traditional security firms.

Manufacturing and Suppliers

Knightscope assembles its ADMs at its Mountain View, California headquarters from components manufactured by more than 20 suppliers. The Company's top three suppliers, measured by spending, are Minarik Automation & Control (a division of Kaman Corporation), based in Indiana, Velodyne LiDAR and EandM, which are both based in California. The Company is not highly dependent on any one supplier and believes it can easily source components from other suppliers and has done so when necessary. The manufacturing lead-time for two-thirds of the Company's components is 30 - 60 days or less, with the remainder requiring up to 90 days.

Research and Development

For the years ended December 31, 2018 and 2017, we incurred $3,542,432 and $1,891,867 for research and development expenses, respectively. We expect to continue to incur similar levels of expenditures on research and development. Our research and development efforts focus primarily on the development of robust base technology as well as scaling efforts. In addition, we will continue to enhance our ADMs' capabilities and to develop a four-wheel version of our ADM technology, the K7, which is intended to operate in a wider range of challenging terrains.

Employees

As of July 11, 2019, we had 32 full-time employees working primarily out of our combined headquarters and production facility in Mountain View, California.

Intellectual Property

The Company holds four patents covering its ADMs ("Autonomous Data Machines and Systems" U.S. Patent Nos. 9,329,597 and 9,910,436), the security data analysis and display features of the KSOC (U.S. Patent No. 9,792,434) and its parking monitor feature (U.S. Patent No. 9,773,413). We have also filed one provisional patent, covering the ADMs' behavioral autonomous technology. The Company has trademarked its name "Knightscope" in the U.S. The Company relies and expects to continue to rely on a combination of confidentiality agreements with its employees, consultants, and third parties with whom it has relationships, as well as trademark, copyright, patent, trade secret, and domain name protection laws, to protect its proprietary rights.

Litigation

The Company is not involved in any litigation, and its management is not aware of any pending or threatened legal actions relating to its intellectual property, conduct of business activities or otherwise. From time to time, we may be involved in pending or threatened claims relating to contract disputes, employment, intellectual property and other matters that arise in the normal course of our business, which we do not deem to be material to the business.

THE COMPANY'S PROPERTY

Knightscope currently leases its premises and owns no significant plant or equipment. The Company's nearly 15,000 square foot facility in Mountain View, California serves as its headquarters, where it designs, engineers, tests, manufactures and supports all of its technologies. The Company wholly owns its ADMs, with the exception of fifty (50) ADMs that were sold pursuant to the Farnam Financing Arrangement, and typically builds in batches based on client demand refraining where possible in stocking inventory or finished products.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with the financial statements and the related notes included elsewhere in this Offering Statement. The following discussion contains forward-looking statements that reflect our plans, estimates, and beliefs. Our actual results could differ significantly from those discussed in the forward-looking statements. Unless otherwise indicated, the latest results discussed below are as of December 31, 2018.

Overview and Operations

We are a technology company located in Silicon Valley that develops, builds and deploys advanced physical security technology utilizing autonomous robots, analytics and a user interface for patrolling both indoor and outdoor environments. Knightscope, Inc. was founded in Mountain View, California in April 2013 and has since developed the revolutionary Knightscope K5, K3 and K1 ADMs primarily through funding from both strategic and private investors. The first version of the Company's flagship K5 was completed in December 2013 and the first version of the K3 was completed in June 2016. The Company began producing the first K1 units during March 2018. Currently, the Company operates on a Machine-as-a-Service business model. Since June 2016, we have recognized recurring monthly revenues around $6,000 per ADM per month, which includes the ADM rental as well as setup, configuration, maintenance, service, support, data transfer, KSOC access, charging station and unlimited software, firmware and select hardware upgrades, when and if available. We charge additional fees for decals or other markings on the ADMs as well as cellular costs in certain locations. Since February 2019, we have been incurring additional monthly costs relating to financing arrangement lease of our ADMs from Farnam.

Our ADMs are fully autonomous, including autonomous recharging. There is minimal to no downtime during recharging, as the ADMs are still operational while charging – and charging stations are typically located in a prominent location that would be suitable as an observation point or an ingress/egress point.

Our current primary focus is on the deployment and marketing of our core technologies. We are also working on the development and eventual production of the K7 ADM, which will be built on a four-wheel architecture and have the capability to operate in more difficult terrain. We continue to generate customer orders on K1, K3 and K5 ADMs and our production is expected to continue out of our primary corporate headquarters.

Components of Results of Operations

Revenue

Our revenues for the years presented, consisted of Machine-as-a-Service subscriptions and other revenues. We provide our subscriptions to our customers pursuant to contractual arrangements that range in duration, with typical duration of one year. We offer our subscriptions based on the functionalities and services selected by a client, and generally our subscription arrangements automatically renew for additional periods at the end of the initial subscription term.

We typically bill our Machine-as-a-Service subscription fees on a monthly basis or annually in advance. We recognize MaaS subscription revenue over the term of the agreement. Amounts billed in excess of revenue recognized for the period are reported as deferred revenue on our balance sheet.

"Other revenues" includes revenues from special decals, training and professional services. Revenue is recognized when products/services have been delivered to the customer.

Cost of Services

For the year 2018, our cost of machine as a services subscriptions revenue primarily consisted of routine maintenance, depreciation, third party software licensing costs, deployment related costs, ADM communications costs, data storage costs, facilities allocations, plus direct compensation and benefits. Since February 2019, we have been incurring additional monthly costs relating to the financing arrangement of our ADMs from Farnam.

Operating Expenses

We classify our operating expenses as research and development, sales and marketing, and general and administrative expenses.

Our research and development efforts are focused on developing new and expanded features for our products and improvements to our backend architecture. Research and development expenses consist primarily of personnel costs for employees and contractors, including share-based compensation expenses, and allocated costs of facilities and information technology and software tools. We expense research and development costs as incurred. We believe that continued investment in our products is important for our future growth, and we expect our research and development expenses to continue to increase in absolute dollars for the foreseeable future, although these expenses may fluctuate as a percentage of our total revenues from period to period depending on the timing of these expenses.

Sales and marketing expenses are the largest component of our operating expenses and consist primarily of personnel costs for employees and contractors directly associated with our sales and marketing activities including share-based compensation expenses, advertising expenses, public relations, trade shows, travel expenses, marketing and promotional activities, and allocated costs of facilities and information technology. We expect our sales and marketing expenses to continue to increase in absolute dollars for the foreseeable future as we expand our sales and marketing efforts and continue to build our brand, although these expenses may fluctuate as a percentage of our total revenues from period to period depending on the timing of these expenses.

General and administrative expenses consist primarily of personnel costs, including share-based compensation expenses, for employees engaged in infrastructure and administrative activities to support the day-to-day operations of our business. Other significant components of general and administrative expenses include professional service fees, allocated costs of facilities and information technology, and the costs of legal matters. We expect our general and administrative expenses to continue to increase in absolute dollars for the foreseeable future, although these expenses may fluctuate as a percentage of our total revenues from period to period, depending on the timing of these expenses.

Results of Operations

The following tables set forth selected statements of operations data and such data as a percentage of total revenues. The historical results presented below are not necessarily indicative of the results that may be expected for any future period:

	Year ended December 31,	
	2018	2017
Revenue	$ 2,938,634	$ 1,572,009
Cost of services	6,248,813	4,638,380
Total gross loss	(3,310,179)	(3,066,371)
Operating expenses:		
Research & development	3,542,432	1,891,867
Sales & marketing	5,074,469	5,476,806
General & administrative	2,444,114	1,779,307
Total operating expenses	11,061,015	9,147,980
Loss from operations	(14,371,194)	(12,214,351)
Other income (expense):		
Interest expense, net	(188,344)	(184,383)
Change in fair value of warrant liabilities	1,170,511	-
Other income, net	-	(2,084)
Total other income (expense)	982,167	(186,467)
Net loss before income tax	(13,389,027)	(12,400,818)
Income tax expense	(800)	(800)
Net loss	$ (13,389,827)	$ (12,401,618)

Percentages of Revenue

	Year ended December 31,	
	2018	2017
Revenue	100%	100%
Cost of services	(213)	(295)
Total gross loss	(113)	(195)
Operating expenses:		
Research & development	121	120
Sales & marketing	172	349
General & administrative	83	113
Total operating expenses	376	582
Loss from operations	(489)	(777)
Other income (expense):		
Interest expense, net	(6)	(12)
Change in fair value of warrant liabilities	39	-
Other income, net	-	-
Total other income (expense)	33	(12)
Net loss before income tax	(456)	(789)
Income tax expense	-	-
Net loss	(456)%	(789)%

Revenue

Revenue increased by $1.3 million from $1.6 million for the year ended December 31, 2017 to $2.9 million for the year ended December 31, 2018, or by 87%. The increase in revenue was due primarily to an increase in the number of customers the Company had in 2018 when compared to 2017 and an increase in the number of ADMs in network resulting from new customers as well as existing customers increasing the number of ADMs they employed under contract. As of December 31, 2018, we had 23 customers and 52 machines-in-network. This compares to 21 customers and 36 machines-in-network at December 31, 2017.

Cost of Services

Cost of services for the year ended December 31, 2018 was $6.2 million, compared to $4.6 million for the year ended December 31, 2017, an increase of 35%. The increase in cost of services is primarily related to the increase in the number of machines-in-network.

Gross Profit (Loss)

The revenue and cost of services described above resulted in a gross loss for the year ended December 31, 2018 of $3.3 million compared to $3.1 million for the year ended December 31, 2017.

As the business scales and becomes more streamlined, management expects the gross profit loss to decrease. We are focusing our resources on growing the business to be able to generate both a gross profit and overall net income. We are continually evaluating and taking a number of near-term actions to facilitate this result, and expect that as the Company matures, we will obtain expertise, economies of scale and efficiency that should increase revenue and reduce costs over the medium to long-term.

For example, we continue to refine our pricing strategy for 2019 which is expected to increase and enhance our revenue streams. We are also updating our data architecture strategy to minimize connectivity and data usage through cellular carriers, creating new tools for more efficient use of cellular data during the deployment setup phase, changing the option pricing for cellular connectivity and revisiting contracts with our cellular providers. In addition, our ADM materials sourcing, production, assembly and manufacturing is expected to become more efficient and the costs associated with these processes reduced as we grow and are thus able to negotiate better volume-based pricing terms with suppliers in connection with making these ADMs. We are also focused on controlling general overhead costs, such as expenditures for real estate leases and optimizing team composition and size. We believe that with the building of new internal tools, the Company will be much more efficient in deployment timing and resources, and alleviating the need for a dramatic increase in headcount. Additionally, new service cost reduction initiatives have been underway to further reduce our ongoing operating costs. Our overall strategy is to keep our fixed costs as low as possible while achieving our overall growth objectives.

Research and Development

	Year ended December 31,			
	2018	**2017**	**$ Change**	**% Change**
Research and development	$ 3,542,432	$ 1,891,867	$ 1,650,565	87%
Percentage of total revenue	121%	120%		

Research and development expenses increased by $1.6 million, or 87% for the year ended December 31, 2018 as compared to the respective period of the prior year. The increase is due to the investment in time and resources we made into the ongoing enhancement of the design, functionality, and efficiency of our technology as well as scaling efforts. We expect research and development expenses to continue to increase in absolute dollars as we continue to invest in such developments.

Sales and Marketing

	Year ended December 31,			
	2018	2017	$ Change	% Change
Sales and marketing	$ 5,074,469	$ 5,476,806	$ (402,337)	(7)%
Percentage of total revenue	173%	348%		

Sales and marketing expenses decreased by $0.4 million, or 7% for the year ended December 31, 2018 as compared to the respective period of the prior year. The decrease was primarily due to lower marketing expenditures relating to the Regulation D Offering in the year ended December 31, 2018 compared to the Regulation A Offering in the year ended December 31, 2017. We expect sales and marketing expenses to generally increase in absolute dollars as we continue to expand our market presence.

General and Administrative

	Year ended December 31,			
	2018	2017	$ Change	% Change
General and administrative	$ 2,444,114	$ 1,779,307	$ 664,807	37%
Percentage of total revenue	83%	113%		

General and administrative expenses increased by $0.7 million, or 37% for the year ended December 31, 2018 as compared to the respective period of the prior year. The increase was primarily driven by additional accounting and audit fees that we incurred surrounding our ongoing financial reporting requirements. We anticipate that our general and administrative expenses will continue to increase as we continue to grow, expand, and invest in our management team and the ongoing implementation of internal controls over financial reporting and general corporate and legal compliance.

Other Income/(Expense), Net

	Year ended December 31			
	2018	2017	$ Change	% Change
Interest expense, net	$ (188,344)	$ (184,383)	$ (3,961)	2%
Change in fair value of warrant liabilities	1,170,511	-	1,170,511	
Other income, net	-	(2,084)	2,084	
Total other income (expense)	$ 982,167	$ (186,467)	$ 1,168,634	627%

Total other income (expense) increased by $1.2 million, or 627% for the year ended December 31, 2018 as compared to the respective period of the prior year. The increase is primarily due to the interest income recorded from revaluation of warrants accounted for as marked-to-market.

Liquidity and Capital Resources

As of December 31, 2018, and December 31, 2017, we had $1.4 million and $11.6 million, respectively, of cash and cash equivalents. As of December 31, 2018, the Company also had an accumulated deficit of approximately $36.9 million, working capital of $0.7 million and stockholders' deficit of $34.9 million. These factors raise substantial doubt regarding our ability to continue as a going concern. We have financed our operations through a combination of debt financing and ongoing rolling close equity investment, including the Regulation A Offering and private placements of Series m-3 and Series m-2 Preferred Stock and ongoing private placement of Series S Preferred Stock, as well as Farnam financing against a number of our ADMs. We expect to continue generating losses from operations in 2019 and additional fundraising will be required to fund our ongoing operations. As of May 8, 2019, the Company had cash on hand of approximately $0.8 million. The Company has projected operating losses and negative cash flows of approximately $1 million per month for the next several months. Without additional fundraising, typically and historically conducted on a rolling close basis, the Company will not be solvent after May 2019. There can be no assurance that the Company will be successful in acquiring additional funding at levels sufficient to fund its future operations beyond this period. If the Company is unable to raise additional capital in sufficient amounts or on terms acceptable to it, the Company may have to significantly reduce its operations, delay, scale back or discontinue the development of one or more of its platforms or discontinue operations completely. As a result of our recurring losses from operations, negative cash flows from operating activities and the need to raise additional capital, our independent auditor included an emphasis of matter paragraph expressing substantial doubt about the Company's ability to continue as a going concern in its report on our audited financial statements for the year ended December 31, 2018.

Cash Flow

The table below, for the periods indicated, provides selected cash flow information:

	Year ended December 31,	
	2018	2017
Net cash used in operating activities	$ (13,168,113)	$ (10,719,567)
Net cash used in investing activities	(1,222,041)	(2,006,967)
Net cash provided by financing activities	4,384,695	21,542,746
Net (decrease) increase in cash and cash equivalents	$ (10,005,459)	$ 8,816,212

Net Cash Used in Operating Activities

Cash provided by operating activities is influenced by the amount of cash we invest in personnel, marketing, and infrastructure to support the anticipated growth of our business, the number of customers to whom we leas our ADMs, the amount and timing of accounts receivable collections, as well as the amount and timing of disbursements to our vendors.

Net cash used in operating activities was approximately $13.2 million for the year ended December 31, 2018. Net cash used in operating activities resulted from net loss of $13.4 million and offset by changes in working capital.

Net cash used in operating activities for the year ended December 31, 2018 increased by $2.4 million as compared to the prior year. The increase was primarily as a result of an increase in net loss of $1.0 million, a change in fair value of issued warrants of $1.2 million, changes in working capital of $0.5 million partially offset by an increase in depreciation and amortization of $0.2 million and stock-based compensation expenses of $0.2 million.

Net Cash Used in Investing Activities

Our primary investing activities have consisted of capital expenditures and investment in ADMs. As our business grows, we expect our capital expenditures to continue to increase.

Net cash used in investing activities for the year ended December 31, 2018 was approximately $1.2 million compared to $2.0 million in the respective period last year, or $0.8 million lower. The decrease can be attributed primarily to decreased number of ADMs to adjust production demands.

Net Cash Provided by Financing Activities

Our financing activities have consisted primarily of raising proceeds through issuing stock, net of repayment of debt.

Net cash provided by financing activities was approximately $4.4 million for the year ended December 31, 2018, primarily driven by $5.0 million in proceeds from issuance of stock and $0.4 million in proceeds from issuance of loan payable that was partially offset by loan repayment of $1.1 million.

Net cash provided by financing activities for the year ended December 31, 2018 decreased by $17.2 million as compared to the respective period of the prior year primarily due to lower proceeds realized from the issuance of stock.

In fiscal year 2019, as of the date of the filing of this Offering Circular, we have raised approximately $2.3 million through financing activities.

Series S Preferred Regulation D Offering

On July 11, 2018, the Company commenced an offering of up to $50 million of its Series S Preferred Stock pursuant to Regulation D and Regulation S to raise additional capital for operations (the "Regulation D Offering"). We are offering to sell up to 6,250,000 shares of Series S Preferred Stock, which are convertible into shares of Class A Common Stock, at a price of $8.00 per share. Consistent with prior financings by the Company, the Regulation D Offering has been conducted with rolling closes, and such closes may continue for another 6 to 15 months. As of December 31, 2018, the Company received net proceeds of approximately $2.6 million through the Regulation D Offering.

Regulation A Offering; Issuance of Series m Preferred Stock and Series m-3 Preferred Stock and Related Warrants; Issuance of Series m, m-2, and m-3 Preferred Stock; Conversion of Certain Series m Preferred Stock into Series m-2 Preferred Stock and Related Warrants

On January 10, 2017, the Company commenced an offering of up to $20 million of its Series m Preferred Stock pursuant to Regulation A of the Securities Act of 1933, as amended (the "Securities Act"), to raise additional capital for operations (the "Regulation A Offering"). We offered to sell up to 6,666,666 shares of Series m Preferred Stock, convertible into shares of Class A Common Stock, at a price of $3.00 per share. We concluded all sales of stock pursuant to the Regulation A Offering in the fourth quarter of 2017. The net proceeds of the sales of our Series m Preferred Stock through the Regulation A Offering as well as through private placement transactions conducted around the same period, after deduction of total offering expenses and commissions, was $18,172,666. Following the termination of the Regulation A Offering, the Company raised additional funds in private placements pursuant to Regulation D under the Securities Act ("Regulation D") and Regulation S under the Securities Act ("Regulation S") through the issuance of its Series m-3 Preferred Stock and warrants to purchase Series m-3 Preferred Stock, which generated net proceeds of $1,438,402 or $3.50 per share during the year ended December 31, 2018. In January and February 2018, the Company converted 1,327,423 shares of Series m Preferred Stock into shares of Series m-2 Preferred Stock at a 1:1 conversion ratio. The Company sold shares of its Series m-2 Preferred Stock for $3.00 per share in a private placement pursuant to Regulation D during the year ended December 31, 2018 for net proceeds of $999,999 after deduction of total offering expenses.

In connection with the term loan received in May 2018, the Company issued a warrant to purchase an aggregate of 77,413 shares of Class B Common Stock. The warrants have an exercise price of $1.26 per share and expire on the earlier of ten years from the date of the warrant or a change of control of the Company.

As part of its compensation arrangement with SI Securities, LLC, which was the sole and exclusive placement agent for the Regulation A Offering in October 2017, the Company issued a warrant to SI Securities, LLC, to purchase up to a total 266,961 shares of Series m-1 Preferred Stock at an exercise price of $3.00 per share. In connection with the placement of the Series m-3 Preferred Stock in 2017, the Company issued to the purchasers warrants for an aggregate of 1,038,571 shares of Series m-3 Preferred Stock. The warrants have an exercise price of $4 per share. In connection with the exchange of the Company's Series m-3 Preferred Stock into Series m-4 Preferred Stock, the term of these warrants was extended such that the warrants would expire on the earlier of December 31, 2021 or 18 months after the closing of the Company's first firm commitment underwritten initial public offering of the Company's common stock pursuant to a registration statement filed under the Securities Act.

Convertible Promissory Notes and Series S Preferred Stock Warrants, and the Related Conversion of Certain Series m-3 Preferred Stock into Series m-4 Preferred Stock

On April 30, 2019 the Company signed a Note and Warrant Purchase Agreement under the form of which the Company can issue up to $15,000,000 of convertible promissory notes and warrants to purchase up to 3,000,000 shares of Series S Preferred Stock (20% warrant coverage) (the "Convertible Note Financing"). Pursuant to the terms of the Convertible Note Financing, the Company was obligated to exchange its outstanding shares of Series m-3 Preferred Stock for the newly authorized shares of Series m-4 Preferred stock upon the closing of at least $1,000,000 in aggregate principal amount of convertible promissory notes under the Convertible Note Financing. Warrants to purchase shares of Series S Preferred Stock of the Company were also issued to investors who invested in the Convertible Note Financing. The warrants to purchase shares of Series S Preferred Stock have an exercise price of $4.50 per share and expire on the earlier of December 31, 2021 or 18 months after the closing of the Company's first firm commitment underwritten initial public offering of the Company's common stock pursuant to a registration statement filed under the Securities Act. The convertible promissory notes have a maturity date of January 1, 2022, provide for payment in kind (PIK) interest at a rate of 12% per annum, are generally the most senior company security (subject to limited subordination carve-outs) and provide for significant discounts upon a qualified financing or an initial public offering, and for a premium upon a change of control. As of July 11, 2019, the Company has issued convertible notes in the aggregate principal amount of $1,372,000 and warrants to purchase up to 274,400 shares of Series S Preferred Stock.

Pursuant to the terms of the Convertible Note Financing, the Company became obligated to exchange certain of its outstanding shares of Series m-3 Preferred Stock for the newly authorized shares of Series m-4 Preferred Stock. On June 10, 2019, the Company issued 1,432,786 shares of its Series m-4 Preferred Stock in exchange for 1,432,786 shares of its shares of Series m-3 Preferred Stock. The Series m-4 Preferred Stock has a senior liquidation preference to all other Preferred Stock and Common Stock of the Company, has an accruing payment in kind (PIK) dividend of 12%, and has certain other preferential rights, including voting rights, as further explained in the Company's amended and restated certificate of incorporation.

In connection with the Convertible Note Financing, William Santana Li, the Chief Executive Officer and sole director of the Company, was granted a voting proxy to vote substantially all of the shares of the Company's Series m-4 Preferred Stock, and the stock issued upon the conversion of warrants to purchase all of the shares of the Company's Series m-3 Preferred stock and upon the conversion of warrants to purchase shares of the Company's Series S Preferred stock, and the stock issuable upon conversion of the convertible promissory notes issued as part of the Convertible Note Financing, in each case to the extent that such shares are held by participants in the Convertible Note Financing (the "Voting Proxy"). The votes held by Mr. Li as a result of the conversion of outstanding convertible securities subject to the Voting Proxy cannot be determined as of the date of this offering circular, but the outstanding securities to which the Voting Proxy applies represents approximately 2.96% of the Company's aggregate voting power.

The Series S Preferred Stock has a right to convert at any time into Class A Common Stock. The initial conversion rate for the conversion is 1:1, which conversion rate will continue to be adjusted pursuant to the broad-based weighted average anti-dilution adjustment provisions provided for in the Company's certificate of incorporation, including without limitation as a result of the issuance of warrants to purchase Series S Preferred Stock in connection with the Convertible Note Financing referenced in the paragraph above, which may continue to have closings simultaneously with this Offering. It is expected that the conversion ratio will begin to be adjusted to a number greater than 1 to 1 at the time that warrants to purchase an aggregate of at least 1,712,735 shares of Series S preferred Stock are issued in connection with the Convertible Note Financing (assuming no other changes to the capitalization table of the Company as of June 17, 2019).

In connection with the placement of the Series m-3 Preferred Stock during the year ended December 31, 2018, the Company issued to the purchasers warrants to purchase an aggregate of 410,972 shares of Series m-3 Preferred Stock. The warrants have an exercise price of $4.00 per share. In connection with the exchange of the Company's Series m-3 Preferred Stock into Series m-4 Preferred Stock, the term of these warrants were extended such that the warrants would expire on the earlier of December 31, 2021 or 18 months after the closing of the Company's first firm commitment underwritten initial public offering of the Company's common stock pursuant to a registration statement filed under the Securities Act.

The proceeds of the Regulation A Offering and private placements of the convertible promissory notes, Series m-3 Preferred Stock, Series m-2 Preferred Stock and Series S Preferred Stock have been used to expand our sales nationwide, to further develop our current technology, and to develop a four-wheel version of our ADM technology, the K7, which is intended to operate in a wider range of challenging terrains. The proceeds of the Convertible Note Financings have been used to maintain the daily operations of the business of the Company as the Company continues its fundraising efforts through the sale of Series S Preferred Stock.

Credit Facilities

In November 2016, the Company entered into a Loan and Security Agreement with Structural Capital Investments II, LP providing for a term loan in the principal amount of $1,100,000. The loan facility had an interest rate of prime +8.5% and was scheduled to mature 3 years after closing. It was secured by all of the Company's assets other than its intellectual property. We used proceeds of the term loan to finance the production of our ADMs in order to meet client order demands. The loan was fully repaid in May 2018.

Additionally, in November 2016, the Company granted each of Structural Capital Investments II, LP and Structural Capital Investments II-C, LP a warrant to purchase an aggregate of 53,918 Series B Preferred Stock shares. The warrants have an exercise price of $2.0401 per share and expire upon the later of November 7, 2026 or two years following the Company's initial public offering.

In May 2018, the Company entered into a Loan and Security Agreement with Silicon Valley Bank, which allowed for individual term loans to be drawn in amounts totaling up to $3,500,000 (the "SVB Loan Facility"). The Company was permitted to draw funds under the SVB Loan Facility until the earlier of January 10, 2019 or an event of default. Each individual term loan called for 18 equal monthly payments of principal plus accrued interest which would fully amortize the term loan. Outstanding borrowings under the term loan agreement would bear interest at a floating rate of 1.75% above the prime rate as published in the Wall Street Journal. Only one individual term loan in the amount of $425,000 was drawn by the Company in May 2018. The individual term loan was set to mature in October 2019 and as of December 31, 2018, $250,000 in principal remained outstanding on the loan. The maturity date of the SVB Loan Facility was July 1, 2020. The loan was secured by all of the Company's assets other than its intellectual property. The SVB Loan Facility contained representations, warranties and covenants customary to similar credit facilities. As of December 31, 2018, we have complied with this and all other affirmative and negative covenants in the SVB Loan Facility. In connection with the SVB Loan Facility, the Company granted Silicon Valley Bank a warrant to purchase up to 77,413 shares of the Company's Class B Common Stock at an exercise price of $1.26 per share and expire on the earlier of ten years from the date of the warrant or a change of control of the Company.

The SVB Loan Facility was fully repaid in February 2019 in connection with a new $3 million dollars received from Farnam Street Financial (“Farnam”). Under this Financing Arrangement, the Company collateralized fifty (50) ADMs, which have an initial repayment period of two years for a monthly fee of $121,129 per month plus tax and an option to purchase these ADMs back for $1,350,000 plus tax or, at the end of the two year period (March 2021), the Company can elect to extend the repayment period for additional year at a monthly fee of $66,621 per month plus tax with an final payment of $600,000 plus tax at the end of the additional year. The effective interest rate under the two and or three-year repayment periods is 35% and 31%, respectively.

Critical Accounting Policies and Estimates

The discussion and analysis of our financial condition and results of operations is based upon our accompanying financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires us to make estimates, assumptions and judgments that can have significant impact on the reported amounts of assets and liabilities, revenues and expenses, and related disclosure of assets and liabilities at the date of our financial statements. For the Company, these estimates include, but are not limited to: deriving the useful lives of ADMs, determination of the cost of ADMs, assessing assets for impairment, ability to realize deferred tax assets, the valuation of convertible preferred stock warrants, and the valuation of stock options, and contingencies. Actual results could differ from those estimates. We base our estimates, assumptions and judgments on historical experience and various other factors that we believe to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. On a regular basis, we evaluate our estimates, assumptions and judgments and make changes accordingly.

Useful Life of the ADMs

Depreciation on the ADMs is recorded using the straight-line method over the expected life of the asset, which ranges from three to four years. The useful life of the ADMs will at times need to be evaluated to assess whether the remaining useful lives continue to be appropriate or require adjustments to reflect changes in the functionalities of the ADMs, the potential effects from the introduction of new versions and upgrades, and technological obsolescence.

Impairment of Long-Lived Assets

We assess the impairment of long-lived assets whenever events or changes in circumstances indicate that their carrying value may not be recoverable from the estimated future cash flows expected to result from their use or eventual disposition. If estimates of future undiscounted net cash flows are insufficient to recover the carrying value of the assets, we will record an impairment loss in the amount by which the carrying value exceeds the fair value. If the assets are determined to be recoverable, but the useful lives are shorter than originally estimated, we will depreciate or amortize the net book value of the assets over the newly determined remaining useful lives of such assets. None of the Company’s ADMs or property and equipment was determined to be impaired as of December 31, 2018 and December 31, 2017. Accordingly, no impairment loss has been recognized in any of the periods presented.

Estimated Fair Value of Convertible Preferred Stock Warrants

Freestanding warrants for shares that are contingently redeemable upon a liquidation event of the Company are classified as a liability on the balance sheet at their estimated fair value. At the end of each reporting period, the change in estimated fair value during the period is recorded in other income (expense), net in the statements of operations. With the assistance of an unrelated third-party valuation specialist, we historically have estimated the fair values of these warrants using the backsolve method based on the proximity of the valuation date to the closing of a financing, or a combination of both the backsolve method from recent financings and the discounted cashflow method. We then utilized an option pricing model to allocate the enterprise value of the Company to the warrants. We will continue to adjust the carrying value of the warrants until such time as these instruments are exercised, expire or convert into warrants to purchase shares of common stock. At that time, the liabilities will be reclassified to additional paid-in-capital, a component of stockholders' deficit.

Recent Accounting Pronouncements

See Note 2 in the notes to our financial statements under the caption Recent Accounting Pronouncements for a discussion of new accounting pronouncements.

Trend Information

Our primary goal remains meeting client demands for additional orders of our technology and ensuring consistent performance in the field. The Company is focused on scaling its business to meet incoming orders. Increasing demand, along with media coverage in the United States, has driven and continues to drive an increase in orders and client inquiries.

Sales trends for the year ended December 31, 2018 showed strong demand across all of Knightscope's product service lines. The sales pipeline continues to grow and is strong, though similar to many business-to-business transactions, the enterprise sales cycle is extremely lengthy. Although we have executed contracts in less than 30 days, notionally these negotiations can range up to several years, taking into account the customer's budget, finance, legal, cyber security, human resources, facilities and other reviews. The sales process for this brand-new technology requires significant streamlining and improvements, and we are taking steps to ensure our sales processes are robust, repeatable, and can enable our products to move through the sales pipeline quicker.

Due to numerous geopolitical events, as well as various high-profile incidents of violence across the United States, we believe that the market for our technologies will continue to grow. At the same time, we expect that competing products may appear in the marketplace in the near future, creating pressures on us to improve on our production methods, cost, quality and product features.

DIRECTORS, EXECUTIVE OFFICERS AND SIGNIFICANT EMPLOYEES

The Company's executive officers and key members of the management team (the "Leadership") and the sole member of the board of directors of the Company as of July 11, 2019 are listed below. The sole director and Leadership are full-time employees.

Name	Current Position	Age	Date Appointed to Current Position
Director, Executive Officers, and Key Employees:			
William Santana Li	Sole director and CEO	49	Appointed to indefinite term of office April 5, 2013
Stacy Dean Stephens	Chief Client Officer	47	Reappointed to indefinite term of office June 18, 2018
Mercedes Soria	Chief Intelligence Officer	45	Reappointed to indefinite term of office June 18, 2018
Aaron J. Lehnhardt	Chief Design Officer	46	Reappointed to indefinite term of office June 18, 2018
Marina Hardof	Chief Financial Officer	40	Appointed to indefinite term of office June 18, 2018

William Santana Li, Chairman and CEO

William ("Bill") Santana Li has served as our sole director and CEO since April 2013. Mr. Li is an American entrepreneur with over 25 years of experience from working in the global automotive sector and founding and leading a number of startups. From 1990 to 1999, Mr. Li held multiple business and technical positions at Ford Motor Company across four continents.

His positions at Ford ranged from component, systems, and vehicle engineering with the Visteon, Mazda, and Lincoln brands; to business and product strategy on the United States youth market, India, and the emerging markets in Asia-Pacific and South America; as well as the financial turnaround of Ford of Europe. In addition, he was on the "Amazon" team, which established an all-new modular plant in Brazil. Subsequently, he served as Director of Mergers & Acquisitions.

After internally securing $250 million in financing, Mr. Li founded and served as COO of GreenLeaf LLC, a Ford Motor Company subsidiary that became the world's second largest automotive recycler. Under his leadership, GreenLeaf grew to more than 600 employees, 20 locations worldwide, and annual sales of approximately $150 million. At the age of 28, Bill was the youngest senior executive at Ford Motor Company worldwide.

After successfully establishing GreenLeaf, Mr. Li was recruited by SoftBank Venture Capital to establish and serve as the President and CEO of the Model E Corporation, a newly established automobile manufacturer that focused on the "Subscribe and Drive" model in California. Mr. Li also founded Carbon Motors Corporation in 2003, and as its Chairman and CEO until February 2013, focused it on developing the world's first purpose-built law enforcement patrol vehicle.

Bill earned a BSEE from Carnegie Mellon University and an MBA from the University of Detroit Mercy. He is married to Mercedes Soria.

Stacy Dean Stephens, EVP and Chief Client Officer

Stacy Dean Stephens is our Chief Client Officer and co-founded the Company in April of 2013. Previously, he co-founded Carbon Motors Corporation with Mr. Li, where he led marketing operations, sales, product management, partnership marketing and customer service. At Carbon Motors, Mr. Stephens established the "Carbon Council," a customer interface and users group consisting of over 3,000 law enforcement professionals across all 50 states and actively serving over 2,200 law enforcement agencies.

Prior to co-founding Carbon Motors Corporation, Mr. Stephens served as a police officer for the Coppell (Texas) Police Department from 2000 to 2002. In recognition of his accomplishments, Mr. Stephens was named one of Government Technology magazine's "Top 25 Doers, Dreamers & Drivers" in 2011.

Mr. Stephens studied aerospace engineering at the University of Texas in Arlington. He subsequently earned a degree in criminal justice and graduated as valedictorian from Tarrant County College in Fort Worth, Texas. He is a member of the International Association of Chiefs of Police ("IACP") and also sits on the IACP Division of State Associations of Chiefs of Police SafeShield Project, which seeks to critically examine existing and developing technologies for the purpose of preventing and minimizing officer injuries and fatalities.

Mercedes Soria, EVP and Chief Intelligence Officer

Mercedes Soria is our Chief Intelligence Officer and has been with Knightscope since April 2013. Ms. Soria is a technology professional with over 15 years of experience in systems development, life cycle management, project leadership, software architecture and web applications development.

Ms. Soria led IT strategy development at Carbon Motors Corporation from 2011 until 2013. From 2002 to 2010, Ms. Soria was Channel Manager and Software Development Manager for internal operations at Deloitte & Touche LLP, where her team deployed software that was used daily across the firm's thousands of employees. From 1998 to 2002, Ms. Soria worked as a software developer at Gibson Musical Instruments leading the effort to establish its online presence.

Ms. Soria obtained Bachelor and Master's degrees in Computer Science from Middle Tennessee State University with honors, as well as an Executive MBA from Emory University. She is also a certified Six Sigma green belt professional and a member of the Society of Hispanic Professional Engineers. She is married to William Santana Li.

Aaron J. Lehnhardt, EVP and Chief Design Officer

Aaron Lehnhardt has served as our Chief Design Officer since November 2015. Previously, from the Company's inception in April 2013 until November 2015, Mr. Lehnhardt served as Chief Designer of the Company. From 2002 to April 2013, Mr. Lehnhardt was the co-owner of Lehnhardt Creative LLC where he worked on advanced propulsion vehicle design, personal electronics, product design, video game design, and concept development work.

From 2004 to 2011, Mr. Lehnhardt was Chief Designer at California Motors ("Calmotors"), where he led the design for various concepts for HyRider hybrid vehicles, the Calmotors 1000 horsepower hybrid super car, Terra Cruzer super off road vehicle, multiple vehicles for the U.S. Military, and various other hybrid and electric vehicles. He was also the lead designer and partner of Ride Vehicles LLC, a sister company to Calmotors, which worked on a 3-wheeled, standup personal mobility vehicle.

Mr. Lehnhardt began his career in 1994 in the Large Truck Design Studio of Ford Motor Company, where he worked on the Aeromax and Excursion truck programs. His progress led him to the Large Vehicle Production Studio to work on the Mustang and Windstar models. He also successfully aided the development of the GT90, My Mercury, Th!nk, P2000 Prodigy, and certain concept vehicles.

Mr. Lehnhardt earned his Bachelor of Fine Arts in Transportation Design from the College for Creative Studies in Detroit, Michigan. He also served as an Alias 3D instructor at the College for Creative Studies.

Marina Hardof, EVP and Chief Financial Officer

Marina Hardof has served as our Chief Financial Officer since June 2018. Ms. Hardof has over 15 years of financial leadership and corporate management experience working across various industry sectors and in both public and private enterprise. Most recently, from 2013 to 2018, Ms. Hardof was the Chief Financial Officer and Vice President of Finance-Controller for Cloudmark Inc., a messaging security company which was acquired by Proofpoint, Inc. Previously to that, she held various finance roles at Unwired Planet, Inc. (f.k.a. Openwave Systems, Inc.), which was acquired by a private equity firm. Prior to Unwired Planet, Inc. she spent over nine years with Ernst and Young LLP and Deloitte serving customers in the technology industry. Ms. Hardof holds a Master of Business Administration from Haas School of Business, University of California, Berkeley, and a Bachelor of Science in Economics and Accounting from Hebrew University of Jerusalem. She is also a licensed CPA in California.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

For the fiscal year ended December 31, 2018, we compensated the Leadership as follows:

Name	Capacities in which compensation was received	Cash Compensation	Other Compensation	Total Compensation
William Santana Li	CEO	$ 257,558	$ -	$ 257,558
Stacy Dean Stephens	Chief Client Officer	$ 188,476	$ -	$ 188,476
Mercedes Soria	Chief Intelligence Officer	$ 227,814	$ 3,041	$ 230,855
Aaron J. Lehnhardt	Chief Design Officer	$ 208,066	$ 3,041	$ 211,107
Marina Hardof	Chief Financial Officer	$ 153,383	$ 6,586	$ 159,969

Other compensation represents non-cash stock-based compensation.

Other than cash compensation, health benefits and stock options, no other compensation was provided. The Company's sole director did not receive any compensation in connection with his directorship.

Employee and Service Provider Equity Incentive Plans

The Company has adopted a 2014 Equity Incentive Plan (the "2014 Plan") and a 2016 Equity Incentive Plan (the "2016 Plan"). The 2014 Plan was terminated upon the adoption of the 2016 Plan. However, the 2014 Plan will continue to govern the terms and conditions of the outstanding awards previously granted thereunder. Each of the 2016 Plan and the 2014 Plan provide for the grant of incentive stock options, within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended, to our employees and any parent and subsidiary corporations' employees, and for the grant of nonstatutory stock options, stock appreciation rights, restricted stock, or restricted stock units to our employees, directors and consultants and our parent and subsidiary corporations' employees and consultants. Both plans are administered by our board of directors and the board of directors is referred to in this section as the "administrator" of the plan.

Authorized Shares. Stock options for the purchase of 2,693,800 shares of our Class B Common Stock are outstanding under our 2014 Plan and an additional 187,200 shares of our Class B Common Stock have been reserved for issuance pursuant to our 2014 Plan. A total of 1,748,814 shares of our Class A Common Stock have been reserved for issuance pursuant to our 2016 Plan. In addition, the shares of Class A Common Stock reserved for issuance under our 2016 Plan also include (i) a number of shares of Class A Common Stock equal to the number of shares of Class B Common Stock reserved but unissued under the 2014 Plan, as of immediately prior to the termination of the 2014 Plan, and (ii) a number of shares of Class A Common Stock equal to the number of shares subject to awards under the 2014 Plan that, on or after the termination of the 2014 Plan, expire or terminate and shares previously issued pursuant to the 2014 Plan, that, on or after the termination of the 2014 Plan, are forfeited or repurchased by us (provided that the maximum number of shares of Class A Common Stock that may be added to our 2016 Plan pursuant to (i) and (ii) is 2,881,000 shares).

If an award expires or becomes unexercisable without having been exercised in full, is surrendered pursuant to an exchange program, or, with respect to restricted stock or restricted stock units, is forfeited to or repurchased due to failure to vest, the unpurchased shares (or for awards other than stock options or stock appreciation rights, the forfeited or repurchased shares) will become available for future grant or sale under the 2016 Plan.

Stock Options. The 2014 Plan was terminated as of December 21, 2016. As a result, new stock options may only be granted under our 2016 Plan. The exercise price of options granted under our 2016 Plan must at least be equal to the fair market value of our Class A Common Stock on the date of grant. The term of an option may not exceed 10 years, except that with respect to any participant who owns more than 10% of the voting power of all classes of our outstanding stock, the term on an incentive stock option granted to such participant must not exceed five years and the exercise price must equal at least 110% of the fair market value on the grant date. The administrator will determine the methods of payment of the exercise price of an option, which may include cash, shares or other property acceptable to the administrator, as well as other types of consideration permitted by applicable law. If an individual's service terminates other than due to the participant's death or disability, the participant may exercise his or her option within 30 days of termination or such longer period of time as provided in his or her award agreement. If an individual's service terminates due to the participant's death or disability, the option may be exercised within six months of termination, or such longer period of time as provided in his or her award agreement. However, in no event may an option be exercised after the expiration of its term. Subject to the provisions of our 2016 Plan the administrator determines the other terms of options.

Non-Transferability of Awards. Unless the administrator provides otherwise, our 2014 Plan and 2016 Plan generally do not allow for the transfer of awards and only the recipient of an award may exercise an award during his or her lifetime.

SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN SECURITYHOLDERS

The following table sets out, as of July 11, 2019, the voting securities of the Company that are beneficially owned by the executive officers and sole director, and other persons holding more than 10% of any class of the Company's voting securities, or having the right to acquire those securities.

Beneficial Owner	Title of Class	Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Amount and Nature of Beneficial Ownership Acquirable (Stock Options)	Percent of Class	Total Voting Power[(1)]
Director and Executive Officers Owning Over 10% of Common Stock						
William Santana Li (2)	Class B Common	455 W. Evelyn Ave. Mountain View, CA 94041	7,000,000		68.77%	29.73%
Stacy Dean Stephens	Class B Common	5400 Broken Bend Drive McKinney, TX 75070	3,000,000		29.47%	11.47%
All current officers and directors as a group (2 in total):	Class B Common		10,000,000		98.24%	40.20%
Stockholders with Over 10% Beneficial Ownership of Preferred Stock						
New Direction IRA Inc.	Series m Preferred Stock	1070 West Century Drive Louisville, CO 80027	5,339,215		23.75%	2.04%
NetPosa Technologies (Hong Kong) Limited	Series B Preferred Stock	Suite 1023, 10/F, Ocean Centre, 5 Canton Road, Tsim Sha Tsui, Kowloon Hong Kong	2,450,860		10.9%	15.34%

(1) Percentage of total voting power represents voting power with respect to all shares of the Company's outstanding capital stock as if converted to Class A Common Stock and Class B Common Stock, as applicable, as a single class. The holders of Series A Preferred Stock, Series B Preferred Stock, Series m-2 Preferred Stock and Class B Common Stock are entitled to ten votes per share. The holders of our Series m Preferred Stock, Series m-1 Preferred Stock, Series m-3 Preferred Stock, Series m-4 Preferred Stock and Class A Common Stock are entitled to one vote per share.

(2) In connection with the Convertible Note Financing, Mr. Li was granted the Voting Proxy. The votes held by Mr. Li as a result of the conversion of outstanding convertible securities subject to the Voting Proxy cannot be determined as of the date of this offering circular, and are not reflected in the above chart, but the outstanding securities to which the Voting Proxy applies represents approximately 2.96% of the Company's aggregate voting power.

INTEREST OF MANAGEMENT AND OTHERS IN CERTAIN TRANSACTIONS

Other than grants of stock options, we have not entered into any transactions in which the management or related persons have an interest outside of the ordinary course of our operations.

SECURITIES BEING OFFERED

General

The Company is offering up to 6,250,000 shares of Series S Preferred Stock, which are convertible into shares of Class A Common Stock.

The following description summarizes the most important terms of the Company's capital stock. This summary does not purport to be complete and is qualified in its entirety by the provisions of Knightscope's amended and restated certificate of incorporation and bylaws, copies of which have been filed as exhibits to the Offering Statement of which this Offering Circular is a part. For a complete description of Knightscope's capital stock, you should refer to the amended and restated certificate of incorporation and bylaws and to the applicable provisions of Delaware law.

Immediately prior to filing of this Offering Statement with the Securities and Exchange Commission, Knightscope's authorized capital stock will consist of 114,000,000 shares of Class A Common Stock, $0.001 par value per share, 30,000,000 shares of Class B Common Stock, $0.001 par value per share, and 43,405,324 shares of Preferred Stock, $0.001 par value per share, of which 8,936,015 shares will be designated Series A Preferred Stock, 4,707,501 will be designated as Series B Preferred Stock, 6,666,666 will be designated as Series m Preferred Stock, 333,334 will be designated as Series m-1 Preferred Stock, 1,660,756 will be designated as Series m-2 Preferred Stock, 3,490,658 will be designated as Series m-3 Preferred Stock, 13,108,333 will be designated as Series S Preferred Stock, and 4,502,061 will be designated as Series m-4 Preferred Stock.

Immediately prior to the filing of this Offering Statement with the Securities and Exchange Commission, the outstanding shares and options of the Company are expected to be as follows:

- 10,179,000 shares of Class B Common Stock that are issued, outstanding and fully vested;
- 8,936,015 shares of Preferred Stock designated as Series A Preferred Stock that have been issued and are outstanding;
- 4,653,583 shares of Preferred Stock designated as Series B Preferred Stock that have been issued and are outstanding;
- 5,339,215 shares of Preferred Stock designated as Series m Preferred Stock that have been issued and are outstanding;
- 1,660,756 shares of Preferred Stock designated as Series m-2 Preferred Stock that have been issued and are outstanding;
- 17,757 shares of Preferred Stock designated as Series m-3 Preferred Stock that have been issued and are outstanding;
- 1,432,786 shares of Preferred Stock designated as Series m-4 Preferred Stock that have been issued and are outstanding;
- 469,140 shares of Preferred Stock designated as Series S Preferred Stock that have been issued and are outstanding;
- 1,256,216 shares of Class B Common Stock that are issuable pursuant to employee stock options that have been issued under the 2014 Equity Plan and 5,140,974 shares of Class A Common Stock that are issuable pursuant to employee stock options that have been issued under the 2016 Equity Plan, including options committed by the board of the directors of the Company that will be issued prior to the qualification of the Offering Statement by the Securities and Exchange Commission.

Class A Common Stock and Class B Common Stock

Prior to the qualification of this Offering Statement by the Securities and Exchange Commission, we have two authorized classes of common stock, Class A Common Stock and Class B Common Stock. All currently outstanding stock options are eligible to be settled in or exercisable for shares of our Class B Common Stock. All currently outstanding shares of Preferred Stock are convertible into shares of either Class A Common Stock or Class B Common Stock. The Series A Preferred Stock, the Series B Preferred Stock and the Series m-2 Preferred Stock (collectively, the "Super Voting Preferred Stock") are convertible into shares of Class B Common Stock. The Series m Preferred Stock, the Series m-1 Preferred Stock, the Series m-3 Preferred Stock, the Series m-4 Preferred Stock and the Series S Preferred Stock (collectively, the "Ordinary Preferred Stock") are convertible into shares of Class A Common Stock.

Voting Rights

Holders of our Class A Common Stock and Class B Common Stock have identical rights, provided however that, except as otherwise expressly provided in our amended and restated certificate of incorporation or required by applicable law, on any matter that is submitted to a vote of our stockholders, holders of Class A Common Stock are entitled to one vote per share of Class A Common Stock and holders of Class B Common Stock are entitled to 10 votes per share of Class B Common Stock. Holders of shares of Class A Common Stock and Class B Common Stock vote together as a single class on all matters (including the election of directors) submitted to a vote of stockholders, unless otherwise required by Delaware law or our amended and restated certificate of incorporation. Delaware law could require either holders of our Class A Common Stock or Class B Common Stock to vote separately as a single class if we were to seek to amend our amended and restated certificate of incorporation in a manner that alters or changes the powers, preferences or special rights of a class of our capital stock in a manner that affected its holders adversely, then that class would be required to vote separately to approve the proposed amendment.

Our board of directors currently consists of a sole member and we have not provided for cumulative voting for the election of directors in our certificate of incorporation.

Dividend Rights

Holders of the Company's common stock are entitled to receive dividends, as may be declared from time to time by the board of directors out of legally available funds and only following payment to holders of the Company's Preferred Stock, as detailed in the Company's amended and restated certificate of incorporation. Following payment of dividends to the holders of Preferred Stock in accordance with the preferential order set out in the amended and restated certificate of incorporation, including the Series S Preferred Stock, any additional dividends set aside or paid in a given year, shall be set aside and paid among the holders of the Preferred Stock and common stock on an as-converted basis. The rights to dividends are not cumulative. The Company has never declared or paid cash dividends on any of its capital stock and currently does not anticipate paying any cash dividends after this offering or in the foreseeable future.

Liquidation Rights

In the event of a voluntary or involuntary liquidation, dissolution, or winding up of the Company, the holders of common stock are entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all debts and other liabilities of the Company and only after the satisfaction of any liquidation preferences granted to the holders of all shares of the outstanding Preferred Stock in accordance with the liquidation stack provided for in the amended and restated certificate of incorporation of the Company.

Rights and Preferences

Holders of the Company's common stock have no preemptive, conversion, or other rights, and there are no redemptive or sinking fund provisions applicable to the Company's common stock.

Conversion Rights

Each share of Class B Common Stock shall automatically convert into one share of Class A Common Stock upon any transfer of such shares other than for tax planning purposes and certain other limited exceptions, as outlined in the Company's amended and restated certificate of incorporation.

Each share of Class B Common Stock shall be convertible into one share of Class A Common Stock at the option of the holder thereof at any time upon written notice of such transfer to the Company's transfer agent.

Ordinary Preferred Stock

The Company has authorized the issuance Series m Preferred Stock, the Series m-1 Preferred Stock, the Series m-3 Preferred Stock, the Series m-4 Preferred Stock and the Series S Preferred Stock (the "Ordinary Preferred Stock"), which contains substantially similar rights, preferences, and privileges, as other series of Preferred Stock, except as described below.

Conversion Rights

Shares of Ordinary Preferred Stock are convertible, at the option of the holder, at any time, into fully-paid nonassessable shares of the Company's Class A Common Stock at the then-applicable conversion rate. At the date of this Offering Circular, the conversion rate for the Ordinary Preferred Stock other than Series S Preferred Stock is one share of Class A Common Stock, as applicable, per one share of Ordinary Preferred Stock. At the date of this Offering Circular, the conversion rate for the Series S Preferred Stock is one share of Class A Common Stock per one share of Series S Preferred Stock. The conversion rate is subject to anti-dilution protective provisions that will be applied to adjust the number of shares of Class A Common Stock issuable upon conversion of the shares of the respective series of Preferred Stock, except Series m-3 Preferred Stock, in case shares of common stock, on an as converted basis, are issued for a price per share below the price per share of the relevant series of Preferred Stock, subject to customary exceptions, in accordance with the Company's amended and restated certificate of incorporation.

The Series S Preferred Stock has a right to convert at any time into Class A Common Stock. The initial conversion rate for the conversion is 1:1, which conversion rate will continue to be adjusted pursuant to the broad-based weighted average anti-dilution adjustment provisions provided for in the Company's certificate of incorporation, including without limitation as a result of the issuance of warrants to purchase Series S Preferred Stock in connection with the Convertible Note Financing referenced above, which may continue to have closings simultaneously with this Offering.

Additionally, each share of Preferred Stock will automatically convert into Class A Common Stock or Class B Common Stock, as applicable, (i) immediately prior to the closing of a firm commitment underwritten public offering, registered under the Securities Act, (ii) with respect to Preferred Stock other than the Series m-4 Preferred Stock, upon the receipt by the Company of a written request for such conversion from the holders of a majority of the Preferred Stock other than the Series m-4 Preferred Stock then outstanding, or (iii) with respect to the Series m-4 Preferred Stock, upon the receipt by the Company of a written request for such conversion from the holders of a majority of the Series m-4 Preferred Stock then outstanding. The stock will convert in the same manner as a voluntary conversion.

Voting Rights

Each holder of Ordinary Preferred Stock is entitled to that number of votes equal to the number of votes of shares of Class A Common Stock into which such shares are convertible. This means that, at the time of qualification of the Offering Statement by the Securities and Exchange Commission, holders of Ordinary Preferred Stock shall be entitled to one vote for each share of Preferred Stock. Fractional votes are not permitted and if the conversion results in a fractional share, it will be disregarded. Holders of Ordinary Preferred Stock are entitled to vote on all matters submitted to a vote of the stockholders, including the election of directors, as a single class with the holders of common stock.

William Santana Li, the Chief Executive Officer and sole director of the Company, holds the Voting Proxy.

Dividends Rights

Holders of Series m-4 Preferred Stock are entitled to receive cumulative dividends payable semi-annually in arrears with respect to each dividend period ending on and including the last calendar day of each six-month period ending March 31 and September 30, respectively (each such period, a "Dividend Period" and each such date, a "Dividend Payment Date"), at the rate per share of Series m-4 Preferred Stock equal to the Dividend Rate for the Series m-4 Preferred Stock, in each case subject to compliance with applicable law. Dividends to holders of Series m-4 Preferred Stock are paid in kind as a dividend of additional shares of Series m-4 Preferred Stock ("PIK Dividends") for each Dividend Period on the applicable Dividend Payment Date using a price per share equal to the original issue price; provided that the Company shall not issue any fractional shares of Series m-4 Preferred Stock.

Except as described above, the Company has no obligation to pay any dividends to the holders of Series m-4 Preferred Stock, except when, as and if declared by the Board of Directors out of any assets at the time legally available therefor or as otherwise specifically provided in our amended and restated certificate of incorporation. No distribution will be made with respect to the Series S Preferred Stock, the Series B Preferred Stock, the Series m Preferred Stock, the Series m-1 Preferred Stock, the Series m-2 Preferred Stock, Series A Preferred Stock, Series m-3 Preferred Stock or the Common Stock until all declared or accrued but unpaid dividends on the Series m-4 Preferred Stock have been paid or set aside for payment to the Series m-4 Preferred Stock holders.

Right to Receive Liquidation Distributions

In the event of any Liquidation Event, as defined in our amended and restated certificate of incorporation (which includes the liquidation, dissolution, merger, acquisition or winding up of the Company), the holders of the Series m-4 Preferred Stock are entitled to receive, prior and in preference to any distribution of any of the assets of the Company to the holders of the Series S Preferred Stock, Series A Preferred Stock, Series B Preferred Stock, Series m Preferred Stock, Series m-1 Preferred Stock, Series m-2 Preferred Stock, Series m-3 Preferred Stock or Common Stock by reason of their ownership of such stock, an amount per share for each share of Series m-4 Preferred Stock held by them equal to the greater of (A): the sum of (i) the Liquidation Preference specified for such share of Series m-4 Preferred Stock, and (ii) all accrued but unpaid PIK Dividends (if any) on such share of Series m-4 Preferred Stock, whether or not declared, or (B) the consideration that such Holder would receive in the Liquidation Event if all shares of Series m-4 Preferred Stock were converted to Class A Common Stock immediately prior to such Liquidation Event, or (C) such lesser amount as may be approved by the holders of the majority of the outstanding shares of Series m-4 Preferred Stock, where for purposes of (B) such Holder is deemed to hold, in addition to each of its shares of Series m-4 Preferred Stock, any additional shares of Series m-4 Preferred Stock that constitute all accrued but unpaid PIK Dividends, whether or not declared. If upon the Liquidation Event, the assets of the Company legally available for distribution to the holders of the Series m-4 Preferred Stock are insufficient to permit the payment to such holders of the full amounts specified in our amended and restated certificate of incorporation, then the entire assets of the Company legally available for distribution shall be distributed with equal priority and pro rata among the holders of the Series m-4 Preferred Stock in proportion to the full amounts they would otherwise be entitled to receive. The Series m-4 Preferred Stock has a $7 per share liquidation preference, which is 2x its original issue price.

The holders of the Series S Preferred Stock are entitled to receive, prior and in preference to any distribution of any of the assets of the Company to the holders of the Series A Preferred Stock, Series B Preferred Stock, Series m Preferred Stock, Series m-1 Preferred Stock, Series m-2 Preferred Stock, Series m-3 Preferred Stock or Common Stock by reason of their ownership of such stock, an amount per share for each share of Series S Preferred Stock held by them equal to the greater of (A): the sum of (i) the Liquidation Preference specified for such share of Series S Preferred Stock, and (ii) all declared but unpaid dividends (if any) on such share of Series S Preferred Stock, or (B) the amount such Holder would receive if all shares of Series S Preferred Stock were converted to Common Stock immediately prior to such Liquidation Event, or (C) such lesser amount as may be approved by the holders of the majority of the outstanding shares of Series S Preferred Stock. If upon the Liquidation Event, the assets of the Company legally available for distribution to the holders of the Series S Preferred Stock are insufficient to permit the payment to such holders of the full amounts specified in our amended and restated certificate of incorporation, then the entire assets of the Company legally available for distribution shall be distributed with equal priority and pro rata among the holders of the Series S Preferred Stock in proportion to the full amounts they would otherwise be entitled to receive.

The holders of the Series B Preferred Stock, the Series m Preferred Stock, the Series m-1 Preferred Stock and the Series m-2 Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Company to the holders of the Series A Preferred Stock, Series m-3 Preferred Stock or Common Stock by reason of their ownership of such stock, an amount per share for each share of Series B Preferred Stock, the Series m Preferred Stock, the Series m-1 Preferred Stock and the Series m-2 Preferred Stock held by them equal to the greater of (A): the sum of (i) the Liquidation Preference specified for such share of Series B Preferred Stock, Series m Preferred Stock, Series m-1 Preferred Stock or Series m-2 Preferred Stock, as applicable, and (ii) all declared but unpaid dividends (if any) on such share of Series B Preferred Stock, Series m Preferred Stock, Series m-1 Preferred Stock or Series m-2 Preferred Stock, as applicable, or (B) the amount such Holder would receive if all shares of the applicable series of Preferred Stock were converted to Common Stock immediately prior to such Liquidation Event, or (C) such lesser amount as may be approved by the holders of the majority of the outstanding shares of Series B Preferred Stock, Series m Preferred Stock, Series m-1 Preferred Stock and Series m-2 Preferred Stock, voting together as a single class. If upon the Liquidation Event, the assets of the Company legally available for distribution to the holders of the Series B Preferred Stock, the Series m Preferred Stock, the Series m-1 Preferred Stock and the Series m-2 Preferred Stock are insufficient to permit the payment to such holders of the full amounts specified in our amended and restated certificate of incorporation, then the entire assets of the Company legally available for distribution shall be distributed with equal priority and pro rata among the holders of the Series B Preferred Stock, the Series m Preferred Stock, the Series m-1 Preferred Stock and the Series m-2 Preferred Stock in proportion to the full amounts they would otherwise be entitled to receive.

The holders of Series m-3 Preferred Stock are entitled to receive, prior and in preference to any distribution of any of the assets of the Company to the holders of Common Stock by reason of their ownership of such stock, an amount per share for each share of Series m-3 Preferred Stock held by them equal to the greater of (A): the sum of (i) the Liquidation Preference specified for such share of Series m-3 Preferred Stock and (ii) all declared but unpaid dividends (if any) on such share of Series m-3 Preferred Stock, or (B) the amount such Holder would receive if all shares of Series m-3 Preferred Stock were converted to Common Stock immediately prior to such Liquidation Event, or (C) such lesser amount as may be approved by the holders of the majority of the outstanding shares of Series m-3 Preferred Stock. If upon a Liquidation Event, the assets of the Company legally available for distribution to the holders of the Series m-3 Preferred Stock are insufficient to permit the payment to such holders of the full amounts specified in our amended and restated certificate of incorporation, then the entire assets of the Corporation legally available for distribution shall be distributed with equal priority and pro rata among the holders of the Series m-3 Preferred Stock in proportion to the full amounts they would otherwise be entitled to receive.

After payment of all liquidation preferences to the holders of the Preferred Stock, as outlined below, all remaining assets of the Company legally available for distribution shall be distributed pro rata to the holders of the common stock, without any participation in such liquidation by the Preferred Stock. Our amended and restated certificate of incorporation explicitly requires that before any shares of Preferred Stock are converted into common stock, the relevant holder's right to liquidation preference be surrendered, in order to prevent treatment of shares as both Preferred Stock and common stock for the purpose of distributions of assets upon a Liquidation Event.

Super Voting Preferred Stock

The Company has authorized the issuance of three other series of Preferred Stock. The series are designated Series A Preferred Stock, Series B Preferred Stock and Series m-2 Preferred Stock (the "Super Voting Preferred Stock"). Each series of Super Voting Preferred Stock contains substantially similar rights, preferences, and privileges, except as described below.

Dividend Rights

In any calendar year, the holders of outstanding shares of Preferred Stock are entitled to receive dividends, when, as and if declared by the Board of Directors, out of any assets at the time legally available therefor, at the dividend rate specified for such shares of Preferred Stock payable in preference and priority to any declaration or payment of any distribution on Common Stock of the Company in such calendar year. Except dividends to Series m-4 Preferred Stock specified above, the right to receive dividends on shares of Preferred Stock is not cumulative, and no right to dividends shall accrue to holders of Preferred Stock by reason of the fact that dividends on said shares are not declared or paid.

No distributions shall be made with respect to the Series S Preferred Stock, the Series B Preferred Stock, the Series m Preferred Stock, the Series m-1 Preferred Stock, the Series m-2 Preferred Stock, Series A Preferred Stock or Series m-3 Preferred Stock unless dividends on the Series m-4 Preferred Stock have been declared in accordance with the preferences stated in the amended and restated certificate of incorporation and all declared or accrued dividends on the Series m-4 Preferred Stock have been paid or set aside for payment to the Series m-4 Preferred Stock holders.

No distributions shall be made with respect to the Series B Preferred Stock, the Series m Preferred Stock, the Series m-1 Preferred Stock, the Series m-2 Preferred Stock, Series A Preferred Stock or Series m-3 Preferred Stock unless dividends on the Series S Preferred Stock have been declared in accordance with the preferences stated in the amended and restated certificate of incorporation and all declared dividends on the Series S Preferred Stock have been paid or set aside for payment to the Series S Preferred Stock holders.

No distributions shall be made with respect to the Series A Preferred Stock or Series m-3 Preferred Stock unless dividends on the Series B Preferred Stock, the Series m Preferred Stock, the Series m-1 Preferred Stock and the Series m-2 Preferred Stock have been declared in accordance with the preferences stated in the amended and restated certificate of incorporation and all declared dividends on the Series B Preferred Stock, the Series m Preferred Stock, the Series m-1 Preferred Stock and the Series m-2 Preferred Stock have been paid or set aside for payment to the Series B Preferred Stock holders, the Series m Preferred Stock holders, the Series m-1 Preferred Stock holders and the Series m-2 Preferred Stock holders, as applicable.

No Distributions shall be made with respect to the Series m-3 Preferred Stock unless dividends on the Series A Preferred Stock have been declared in accordance with the preferences stated in the amended and restated certificate of incorporation and all declared dividends on the Series A Preferred Stock have been paid or set aside for payment to the Series A Preferred Stock holders.

No Distributions shall be made with respect to the Common Stock unless dividends on the Series m-3 Preferred Stock have been declared in accordance with the preferences stated in the amended and restated certificate of incorporation and all declared dividends on the Series m-3 Preferred Stock have been paid or set aside for payment to the Series m-3 Preferred Stock holders.

The Company has never declared or paid cash dividends on any of its capital stock and currently does not anticipate paying any cash dividends after this offering or in the foreseeable future.

Conversion Rights

Shares of Preferred Stock are convertible, at the option of the holder, at any time, into fully-paid nonassessable shares of the Company's Class A Common Stock or Class B Common Stock at the then-applicable conversion rate. Any shares of Super Voting Preferred Stock shall be convertible to shares of the Company's Class B Common Stock. Any share of Preferred Stock convertible to shares of Class B Common Stock that has been transferred for any reason other than for tax planning purposes and certain other limited exceptions, as outlined in the Company's amended and restated certificate of incorporation, shall become convertible into shares of Class A Common Stock. At the date of this Offering Circular, the conversion rate for both the Series A Preferred Stock and the Series B Preferred Stock is one share of Class A Common Stock or Class B Common Stock, as applicable, per one share of Preferred Stock. The conversion rate is subject to anti-dilution protective provisions that will be applied to adjust the number of shares of Class A Common Stock or Class B Common Stock, as applicable, issuable upon conversion of the shares of the respective series of Preferred Stock.

Additionally, each share of Preferred Stock will automatically convert into Class A Common Stock or Class B Common Stock, as applicable, (i) immediately prior to the closing of a firm commitment underwritten public offering, registered under the Securities Act, (ii) with respect to Preferred Stock other than the Series m-4 Preferred Stock, upon the receipt by the Company of a written request for such conversion from the holders of a majority of the Preferred Stock other than the Series m-4 Preferred Stock then outstanding, or (iii) with respect to the Series m-4 Preferred Stock, upon the receipt by the Company of a written request for such conversion from the holders of a majority of the Series m-4 Preferred Stock then outstanding. The stock will convert in the same manner as a voluntary conversion.

Voting Rights

Each holder of Preferred Stock is entitled to that number of votes equal to the number of votes of shares of Class A Common Stock or Class B Common Stock, as applicable, into which such shares are convertible. This means that, at the date that the Securities and Exchange Commission qualifies this Offering Statement, holders of Super Voting Preferred Stock shall be entitled to ten votes for each share held. Fractional votes are not permitted and if the conversion results in a fractional share, it will be disregarded. Holders of Preferred Stock are entitled to vote on all matters submitted to a vote of the stockholders, including the election of directors, as a single class with the holders of common stock.

William Santana Li, the Chief Executive Officer and sole director of the Company, holds the Voting Proxy.

Preemptive Rights

The Company has granted one investor in its Series m Preferred Stock financing the right to invest up to their pro rata share on a fully-diluted basis in the offerings of securities of the Company. The combined pro-rata rights of such stockholder immediately prior to the filing of the Offering Statement is less than 1% of the fully-diluted capitalization of the Company.

Right to Receive Liquidation Distributions

In the event of a Liquidation Event, the holders of the Series B Preferred Stock, the Series m Preferred Stock, the Series m-1 Preferred Stock and the Series m-2 Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Company to the holders of the Series A Preferred Stock, Series m-3 Preferred Stock or Common Stock by reason of their ownership of such stock, an amount per share for each share of Series B Preferred Stock, the Series m Preferred Stock, the Series m-1 Preferred Stock and the Series m-2 Preferred Stock held by them equal to the greater of: (A) the sum of (i) the Liquidation Preference specified for such share of Series B Preferred Stock, Series m Preferred Stock, Series m-1 Preferred Stock or Series m-2 Preferred Stock, as applicable, and (ii) all declared but unpaid dividends (if any) on such share of Series B Preferred Stock, Series m Preferred Stock, Series m-1 Preferred Stock or Series m-2 Preferred Stock, as applicable, or (B) the amount such Holder would receive if all shares of the applicable series of Preferred Stock were converted to Common Stock immediately prior to such Liquidation Event, or (C) such lesser amount as may be approved by the holders of the majority of the outstanding shares of Series B Preferred Stock, Series m Preferred Stock, Series m-1 Preferred Stock and Series m-2 Preferred Stock, voting together as a single class. If upon the Liquidation Event, the assets of the Company legally available for distribution to the holders of the Series B Preferred Stock, the Series m Preferred Stock, the Series m-1 Preferred Stock and the Series m-2 Preferred Stock are insufficient to permit the payment to such holders of the full amounts specified in our amended and restated certificate of incorporation, then the entire assets of the Company legally available for distribution shall be distributed with equal priority and pro rata among the holders of the Series B Preferred Stock, the Series m Preferred Stock, the Series m-1 Preferred Stock and the Series m-2 Preferred Stock in proportion to the full amounts they would otherwise be entitled to receive.

The holders of Series A Preferred Stock are entitled to receive, prior and in preference to any distribution of any of the assets of the Company to the holders of Common Stock or Series m-3 Preferred Stock by reason of their ownership of such stock, an amount per share for each share of Series A Preferred Stock held by them equal to the greater of: (A) the sum of (i) the Liquidation Preference specified for such share of Series A Preferred Stock and (ii) all declared but unpaid dividends (if any) on such share of Series A Preferred Stock, or (B) the amount such Holder would receive if all shares of Series A Preferred Stock were converted to Common Stock immediately prior to such Liquidation Event, or (C) such lesser amount as may be approved by the holders of the majority of the outstanding shares of Series A Preferred Stock. If upon a Liquidation Event, the assets of the Company legally available for distribution to the holders of the Series A Preferred Stock are insufficient to permit the payment to such holders of the full amounts specified in our amended and restated certificate of incorporation, then the entire assets of the Company legally available for distribution shall be distributed with equal priority and pro rata among the holders of the Series A Preferred Stock in proportion to the full amounts they would otherwise be entitled to receive.

After payment of all liquidation preferences to the holders of Preferred Stock, as outlined above, all remaining assets of the Company legally available for distribution shall be distributed pro rata to the holders of the common stock, without any participation in such liquidation by the Preferred Stock.

Our amended and restated certificate of incorporation explicitly requires that before any shares of Preferred Stock are converted into common stock, the relevant holder’s right to liquidation preference be surrendered, in order to prevent treatment of shares as both preferred stock and common stock for the purpose of distributions of assets upon a Liquidation Event.

PLAN OF DISTRIBUTION AND SELLING STOCKHOLDERS

Plan of Distribution

The Company is offering up to 6,250,000 shares of Series S Preferred Stock, as described in this Offering Circular. Maxim Group LLC ("Maxim") has agreed to act as a placement agent to assist in connection with this Offering, subject to the terms and conditions of the placement the agency agreement dated March 12, 2019, as amended from time to time. Maxim is not purchasing or selling any securities offered by this prospectus, nor is it required to arrange the purchase or sale of any specific number or dollar amount of securities, but has agreed to use its best efforts to arrange for the sale of all of the securities offered hereby. In addition, Maxim may engage other brokers to sell the securities on its behalf. As of the date hereof, Maxim has engaged StartEngine Primary LLC to assist Maxim in connection with this Offering. The Company may also sell securities directly to participants in this Offering.

Commissions and Discounts

We have agreed to pay the placement agents a placement agent fee equal to 6.5% of the aggregate purchase price of the shares of our Series S Preferred Stock sold in this offering.

The following table shows the per share and total cash placement agents commissions we will pay to the placement agents in connection with this offering, assuming the purchase of all of the shares offered hereby:

	Per Share	Total
Public offering price	$ 8.00	$ 50,000,000.00
Placement Agent commissions	$ 0.52	$ 3,250,000.00
Proceeds, before expenses, to us	$ 7.48	$ 46,750,000.00

Placement Agent Compensation

In addition to commissions, we are responsible for all Offering fees and expenses, including the following: (i) fees and disbursements of our legal counsel, accountants, and other professionals we engage; (ii) fees and expenses incurred in the production of Offering documents, including design, printing, photograph, and written material procurement costs; (iii) all filing fees, including those charged by the Financial Industry Regulatory Authority ("FINRA"); (iv) all of the legal fees related to FINRA clearance; and (v) our transportation, accommodation, and other roadshow expenses, up to a maximum aggregate expense allowance of $60,000.

Assuming that the full amount of the offering is raised, we estimate that the legal and audit expenses of the offering payable by us, excluding the placement agents' fees, will be approximately $520,000, excluding marketing expenses, which are expected to be approximately $150,000 per month and which may increase as the Company obtains sufficient capital to allow it to do so.

Other Terms

The Company is not under any contractual obligation to engage Maxim to provide any services to the Company after this offering, and has no present intent to do so.

Maxim and StartEngine Primary LLC intend to utilize two online platforms for this offering, at the domain names, https://m-vest.com/KnightscopeInc and www.startengine.com/knightscope, respectively (the "Online Platforms"), to provide technology tools to allow for the sales of securities in this offering.

Upon Maxim raising an aggregate of $10,000,000 in this Offering and the Regulation D Offering, Maxim shall have a right to participate as an underwriter with at least 25% of the economics in the Company's initial public offering pursuant to a Form S-1 filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended. Such right of participation shall terminate on the third anniversary of the commencement of sales under this Offering.

Selling Stockholders

No securities are being sold for the account of stockholders; the Company will receive all the net proceeds of this offering.

Investors' Tender of Funds

After the Offering Statement has been qualified by the Securities and Exchange Commission, the Company will accept tenders of funds to purchase the Series S Preferred Stock. The Company may close on investments on a "rolling" basis (so not all investors will receive their shares on the same date). Upon closing, funds tendered by investors will be made available to the Company for its use.

In order to invest, you will either subscribe to the offering via the Online Platforms, or through either the Company or Maxim, and in each case will agree to the terms of the offering, Subscription Agreement and any other relevant exhibit attached thereto. When subscribing through the Online Platforms or through Maxim, payment for the Series S Preferred Stock shall be paid to Prime Trust, LLC (the "Escrow Agent"), pursuant to the terms of the Escrow Agreement between the Company, Maxim and the Escrow Agent, from the subscriber by ACH electronic transfer, wire transfer of immediately available funds, deposit check or other means approved by the Company prior to the applicable Closing.

In the event that it takes some time for the Company to raise funds in this offering, the Company will rely on income from sales and cash on hand ($0.4 million as of June 30, 2019) as well as other private financing offerings until it gets to profitability through an increased number of machines-in-network.

KNIGHTSCOPE, INC.

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

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Report of Independent Auditors

The Board of Directors and Stockholders
Knightscope, Inc.

We have audited the accompanying financial statements of Knightscope, Inc., which comprise the balance sheets as of December 31, 2018 and 2017, and the related statements of operations, preferred stock and stockholders' deficit and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Knightscope, Inc. at December 31, 2018 and 2017, and the results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Knightscope's Ability to Continue as a Going Concern
The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has recurring losses from operations, negative cash flows from operations and therefore will require additional capital to fund its operations, and has stated that substantial doubt exists about the Company's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

/s/ Ernst & Young LLP

San Francisco, California
April 29, 2019

KNIGHTSCOPE, INC.
BALANCE SHEETS

	December 31, 2018	December 31, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,358,399	$ 11,563,858
Restricted cash	200,000	-
Accounts receivables	1,178,625	345,304
Prepaid expenses and other current assets	755,436	435,289
Total current assets	3,492,460	12,344,451
Non-current assets:		
Autonomous data machines, net	3,311,122	3,091,108
Property and equipment, net	106,265	140,437
Other assets	77,650	294,650
Total non-current assets	3,495,037	3,526,195
Total assets	$ 6,987,497	$ 15,870,646
LIABILITIES, PREFERRED STOCK AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	$ 751,529	$ 424,774
Accrued expenses	667,880	667,912
Deferred revenue	896,138	539,176
Debt obligations	198,352	396,448
Other current liabilities	290,624	113,095
Total current liabilities	2,804,523	2,141,405
Non-current liabilities:		
Debt obligations	-	403,289
Preferred stock warrant liability	284,848	1,280,718
Other noncurrent liabilities	-	31,800
Deferred rent	21,280	17,523
Total non-current liabilities	306,128	1,733,330
Total liabilities	3,110,651	3,874,735
Commitments and contingencies (Note 9)		
Preferred Stock, $0.001 par value; 25,794,930 shares authorized as of December 31, 2018 and 2017, respectively, 22,387,749 and 21,294,807 shares issued and outstanding at December 31, 2018 and 2017, respectively; aggregate liquidation preference of $46,337,834 and $41,110,337 as of December 31, 2018 and 2017, respectively	38,757,215	33,904,613
Stockholders' deficit:		
Class A common stock, $0.001 par, 94,000,000 shares authorized, 0 shares issued and outstanding as of December 31, 2018 and 2017	-	-
Class B common stock, $0.001 par, 30,000,000 shares authorized, 10,179,000 shares issued and outstanding as of December 31, 2018 and 2017	10,179	10,179
Additional paid-in capital	2,060,071	1,641,911
Accumulated deficit	(36,950,619)	(23,560,792)
Total stockholders' deficit	(34,880,369)	(21,908,702)
Total liabilities, preferred stock and stockholders' deficit	$ 6,987,497	$ 15,870,646

See accompanying notes to financial statements.

KNIGHTSCOPE, INC.
STATEMENTS OF OPERATIONS

	Year ended December 31,	
	2018	**2017**
Revenue	$ 2,938,634	$ 1,572,009
Cost of services	6,248,813	4,638,380
Total gross loss	(3,310,179)	(3,066,371)
Operating expenses:		
Research & development	3,542,432	1,891,867
Sales & marketing	5,074,469	5,476,806
General & administrative	2,444,114	1,779,307
Total operating expenses	11,061,015	9,147,980
Loss from operations	(14,371,194)	(12,214,351)
Other income (expense):		
Interest expense, net	(188,344)	(184,383)
Other expense, net	-	(2,084)
Change in fair value of warrant liabilities	1,170,511	-
Total other income (expense)	982,167	(186,467)
Net loss before income tax	(13,389,027)	(12,400,818)
Income tax expense	(800)	(800)
Net loss	$ (13,389,827)	$ (12,401,618)
Basic and diluted net loss per common share	$ (1.32)	$ (1.22)
Weighted average shares used to compute basic and diluted net loss per share	10,179,000	10,179,000

See accompanying notes to financial statements.

KNIGHTSCOPE, INC.
STATEMENTS OF CASH FLOWS

	Year ended December 31,	
	2018	**2017**
Cash Flows From Operating Activities		
Net loss	$ (13,389,827)	$ (12,401,618)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,207,186	966,744
Stock compensation expense	338,515	88,719
Change in warrants fair value	(1,170,511)	-
Amortization of debt discount	78,967	23,582
Amortization of loan fees	61,138	24,802
Loss from damage of autonomous data machines	137,538	-
Changes in operating assets and liabilities:		
Accounts receivable	(833,321)	(331,636)
Prepaid expenses and other current assets	(329,457)	(117,741)
Other assets	217,000	(205,400)
Accounts payable	96,140	290,182
Accrued expenses	(87,929)	488,135
Deferred revenue	356,962	321,179
Other current and noncurrent liabilities	145,729	144,895
Deferred rent	3,757	(11,410)
Net cash used in operating activities	(13,168,113)	(10,719,567)
Cash Flows From Investing Activities		
Autonomous data machines	(1,180,302)	(2,003,850)
Purchase of property and equipment	(41,739)	(3,117)
Net cash used in investing activities	(1,222,041)	(2,006,967)
Cash Flows From Financing Activities		
Proceeds from issuance of Series m Preferred Stock offering	-	19,999,914
Proceeds from issuance of Series m-3 Preferred Stock offering	1,438,402	3,634,999
Payment of issuance costs in Series m Preferred Stock offering	(19,736)	(1,827,249)
Payment of offering costs in Series m-3 Preferred Stock offering	-	(19,297)
Repayments of financing obligations	(16,235)	(15,671)
Proceeds from issuance of Series s Preferred Stock offering	2,789,100	-
Payment of offering costs in Series s Preferred Stock offering	(161,225)	-
Proceeds from issuance of Series m-2 Preferred Stock offering	999,999	-
Principal repayments on loan payable	(1,049,041)	(225,959)
Capital lease payment	-	(3,991)
Proceeds from issuance of loan payable, net of issuance costs	403,431	-
Net cash provided by financing activities	4,384,695	21,542,746
Net change in cash and cash equivalents	(10,005,459)	8,816,212
Cash, cash equivalents and restricted cash at beginning of year	11,563,858	2,747,646
Cash, cash equivalents and restricted cash at end of year	$ 1,558,399	$ 11,563,858
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest during the year	$ 57,528	$ 134,249
Cash paid for income taxes	$ 800	$ 800
Supplemental Disclosure of Non-Cash Financing and Investing Activities		
Issuance of warrant for Common Stock	$ 79,645	$ -
Issuance of warrants for Preferred Stock	$ 174,641	$ 1,209,976
Series m conversion for Series m-2 stock	$ 3,982,269	$ -
Offering costs included in other assets	$ 19,297	$ 19,297
Autonomous data machines costs in accounts payables	$ 140,968	$ 110,758
Autonomous data machines costs in accrued expenses	$ 77,910	$ 18,473

See accompanying notes to financial statements.

KNIGHTSCOPE, INC.
STATEMENTS OF PREFERRED STOCK AND STOCKHOLDERS' DEFICIT

	Series m Preferred Stock		Series m-2 Preferred Stock		Series m-3 Preferred Stock		Series s Preferred Stock		Series A Preferred Stock		Series B Preferred Stock		Class A Common Stock		Class B Common Stock				
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Deficit
Balance at December 31, 2016	-	$ -	-	$ -	-	$ -	-	$ -	8,936,015	$ 3,865,155	4,653,583	$ 9,441,770	-	-	10,179,000	$ 10,179	$ 1,553,192	$ (11,159,174)	$ (9,595,803)
Stock based compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	88,719	-	88,719
Issuance of Series m Preferred stock	6,666,638	$ 19,999,914	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Offering costs	-	(1,827,249)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of Series m-3 Preferred stock	-	-	-	-	1,038,571	3,634,999	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance cost related to Series m-3 Preferred Stock warrant	-	(285,648)	-	-	-	(924,328)	-	-	-	-	-	-	-	-	-	-	-	-	-
Net loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(12,401,618)	(12,401,618)
Balance at December 31, 2017	6,666,638	$ 17,887,017	-	$ -	1,038,571	$ 2,710,671	-	-	8,936,015	$ 3,865,155	4,653,583	$ 9,441,770	-	-	10,179,000	$ 10,179	$ 1,641,911	$ (23,560,792)	$ (21,908,702)
Stock based compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	338,515	-	338,515
Issuance of Series m-2 Preferred stock	-	-	333,333	999,999	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Series m conversion for series m-2 stock net of offering costs	(1,327,423)	(4,021,302)	1,327,423	3,982,269	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of Series m-3 Preferred stock	-	-	-	-	410,972	1,438,402	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of Series s Preferred stock, net of issuance costs							348,637	2,627,875											
Issuance cost related to Series m-3 Preferred Stock warrant	-	-	-	-	-	(174,641)	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of Class B common Stock warrant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	79,645	-	79,645
Net loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(13,389,827)	(13,389,827)
Balance at December 31, 2018	5,339,215	$ 13,865,715	1,660,756	$ 4,982,268	1,449,543	$ 3,974,432	348,637	$ 2,627,875	8,936,015	$ 3,865,155	4,653,583	$ 9,441,770	-	-	10,179,000	$ 10,179	$ 2,060,071	$ (36,950,619)	$ (34,880,369)

See accompanying notes to financial statements.

NOTE 1: The Company and Summary of Significant Accounting Policies

Description of business

Knightscope, Inc. (the "Company"), was incorporated on April 4, 2013 under the laws of the State of Delaware.

The Company designs, develops, builds, deploys, and supports advanced physical security technologies. The Knightscope solution to reducing crime combines the physical presence of our proprietary autonomous data machines ("ADMs") with real-time on-site data collection and analysis and a human-machine interface. Two of our ADMs, the outdoor "K5" and the indoor "K3", autonomously patrol client sites without the need for remote control to provide a visible, force multiplying, physical security presence to help protect assets, monitor changes in the environment and deter crime. They gather real-time data using a large array of sensors. The data is accessible through the Knightscope Security Operations Center ("KSOC"), an intuitive, browser-based interface that enables security professionals to review events generated from "really smart mobile eyes and ears" to do their jobs more effectively.

Basis of Presentation and Liquidity

These financial statements and accompanying notes have been prepared in accordance with United States generally accepted accounting principles ("GAAP"), pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC").

Since its inception, the Company has incurred significant operating losses and negative cash flows from operations which is principally the result of significant research and development activities related to the development and continued improvement of the Company's ADMs (hardware and software).

Cash and cash equivalents on hand was $1.4 million at December 31, 2018, compared to $11.6 million at December 31, 2017. The Company has historically incurred losses and negative cashflows from operations. At December 31, 2018, the Company also had an accumulated deficit of approximately $37.0 million, working capital of $0.5 million and stockholders' deficit of $34.9 million. The Company is dependent on additional fundraising in order to sustain its ongoing operations. Without additional fundraising, typically and historically conducted on a rolling close basis, the Company will not be solvent after May 2019. There can be no assurance that the Company will be successful in raising funds at levels sufficient to fund its future operations beyond the current cash runway. If the Company is unable to raise additional capital in sufficient amounts or on terms acceptable to it, the Company may have to significantly reduce its operations or delay, scale back or discontinue the development of one or more of its platforms, seek alternative financing arrangements, declare bankruptcy or terminate its operations entirely. These factors raise substantial doubt regarding the Company's ability to continue as a going concern for a period of one year from the issuance date of these financial statements. Management's plans include seeking additional financing activities such as issuances of equity, issuances of debt and convertible debt instruments. The Company's projected cash flows are subject to various risks and uncertainties, and the unavailability or inadequacy of financing to meet future capital needs could force it to modify, curtail, delay, or suspend some or all aspects of its planned operations. Sales of additional equity securities by the Company could result in the dilution of the interests of existing stockholders. The Company will require significant additional financing and is pursuing opportunities to obtain additional financing in the future through private equity and/or debt financings. However, there can be no assurance that financing will be available when required in sufficient amounts, on acceptable terms or at all. These financial statements have been prepared on a going concern basis and do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary in the event the Company can no longer continue as a going concern.

NOTE 1: The Company and Summary of Significant Accounting Policies (Continue)

Reclassifications

Certain reclassifications limited to reclassification with the balance sheet current to current line items have been made to the 2017 financial statements to conform to the 2018 financial statement presentation. These reclassifications had no effect on net loss as previously reported.

Comprehensive Loss

Net loss was equal to comprehensive loss for years ended December 31, 2018 and 2017.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. Specific accounts that require management estimates include, but are not limited to, estimating the useful lives of our ADMs and property and equipment, certain estimates required within revenue recognition, estimating fair values of Company's common stock, share-based awards and warrant liabilities, inclusive of any contingent assets and liabilities. Actual results could differ from those estimates and such differences may be material to the financial statements.

Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. The Company places its cash and cash equivalents in highly liquid instruments with, and in the custody of, financial institutions with high credit ratings.

Restricted Cash

The Company has restricted cash as a collateral for the Company's corporate credit cards. As of December 31, 2018 and 2017, the carrying value of restricted cash was $0.2 million and null, respectively.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. The Company limits the credit exposure of its cash and cash equivalent balances by maintaining its accounts in high credit quality financial institutions. Cash and cash equivalent deposits with financial institutions may occasionally exceed the limits of insurance on bank deposits; however, the Company has not experienced any losses on such accounts. As of December 31, 2018 and 2017, the Company had cash and cash equivalent balances exceeding FDIC insured limits by $1.1 million and $11.3 million, respectively.

The Company extends credit to customers in the normal course of business and performs ongoing credit evaluations of its customers. Concentrations of credit risk with respect to accounts receivable exist to the full extent of amounts presented in the financial statements. The Company does not require collateral from its customers to secure accounts receivable.

Accounts receivable are derived from the rental of proprietary ADMs along with access to browser-based interface Knightscope Security Operations Center (KSOC). The Company reviews its receivables for collectability based on historical loss patterns, aging of the receivables, and assessments of specific identifiable customer accounts considered at risk or uncollectible and provides allowances for potential credit losses, as needed. The Company also considers any changes to the financial condition of its customers and any other external market factors that could impact the collectability of the receivables in the determination of the allowance for doubtful accounts. Based on these assessments, the Company determined that an allowance for doubtful accounts on its accounts receivable balance as of December 31, 2018 and 2017 was not necessary.

NOTE 1: The Company and Summary of Significant Accounting Policies (Continue)

At December 31, 2018, the Company had three customers whose accounts receivable balances each totaled 10% or more of the Company's total accounts receivable (54%, 12% and 12%) compared with four such customers at December 31, 2017 (19%, 16%, 11% and 10%).

For the year ended December 31, 2018, the Company had one customer who individually accounted for 10% or more of the Company's total customer revenue (23%) compared with no such customers for the year ended December 31, 2017.

ADMs

ADMs consist of materials, ADMs in progress and finished ADMs. ADMs in progress and finished ADMs include materials, labor and other direct and indirect costs used in their production. Finished ADMs are valued using a discrete bill of materials, which includes an allocation of labor and direct overhead based on assembly hours. Depreciation expense on ADMs is recorded using the straight-line method over their estimated expected lives, which currently ranges from 3 to 4.5 years. Depreciation expense of finished ADMs included in research and development expense amounted to $67,037 and $55,663, depreciation expense of finished ADMs included in sales and marketing expense amounted to $117,522 and $42,358, and depreciation expense included in cost of services amounted to $946,965 and $783,516 for the years ended December 31, 2018 and 2017, respectively.

ADMs, net, consisted of the following:

	December 31,	
	2018	**2017**
Raw materials	$ 586,529	$ 632,863
ADMs in progress	205,678	175,027
Finished ADMs	4,904,397	3,672,105
	5,696,604	4,479,995
Accumulated depreciation on Finished ADMs	(2,385,482)	(1,388,887)
ADMs, net	$ 3,311,122	$ 3,091,108

The components of the Finished ADMs, net at December 31, 2018 are as follows:

ADMs on lease with customers	$ 3,234,993
Available for lease	728,522
Demonstration ADMs	680,541
Research and development ADMs	81,571
Charge boxes	178,770
	4,904,397
Less: accumulated depreciation	(2,385,482)
Finished ADMs, net	$ 2,518,915

Property, Equipment and Software

Property, equipment and software, net is stated at cost less accumulated depreciation and amortization, and is depreciated using the straight-line method over the estimated useful lives of the assets. Computer equipment, software and furniture, fixtures and equipment are depreciated over useful lives ranging from three to five years, and leasehold improvements are depreciated over the respective lease term or useful lives, whichever is shorter. Maintenance and repairs are charged to expense as incurred, and improvements and betterments are capitalized. When assets are retired or otherwise disposed of, the cost and accumulated depreciation and amortization are removed from the balance sheet and any resulting gain or loss is reflected in the statements of operations in the period realized.

NOTE 1: The Company and Summary of Significant Accounting Policies (Continue)

Property and equipment, leasehold improvements and software, as of December 31, 2018 and 2017 are as follows:

	December 31	
	2018	2017
Computer equipment	$ 51,922	$ 43,893
Software	8,185	8,185
Furniture, fixtures & equipment	296,938	263,228
Leasehold improvements	44,510	44,510
	401,555	359,816
Accumulated depreciation	(295,290)	(219,379)
Property and equipment, net	$ 106,265	$ 140,437

Depreciation and amortization expense on property and equipment included in general and administrative expenses amounted to $75,910 and $85,208 as of December 31, 2018 and 2017, respectively. Depreciation and amortization expense relating to cost of services, research and development and sales and marketing was insignificant for all periods presented.

Impairment of Long-Lived Assets

The Company assesses the impairment of long-lived assets whenever events or changes in circumstances indicate that their carrying value may not be recoverable from the estimated future cash flows expected to result from their use or eventual disposition. If estimates of future undiscounted net cash flows are insufficient to recover the carrying value of the assets, the Company will record an impairment loss in the amount by which the carrying value exceeds the fair value. If the assets are determined to be recoverable, but the useful lives are shorter than originally estimated, the Company will depreciate or amortize the net book value of the assets over the newly determined remaining useful lives. None of the Company's ADMs or property and equipment was determined to be impaired as of December 31, 2018 and 2017.

Convertible Preferred Warrant Liabilities and Common Stock Warrants

Freestanding warrants to purchase shares of the Company's preferred stock are classified as liabilities on the balance sheets at their estimated fair value because the underlying shares of preferred stock are contingently redeemable and, therefore, may obligate the Company to transfer assets at some point in the future. The preferred stock warrants are recorded at fair value upon issuance and are subject to remeasurement to their respective estimated fair values. At the end of each reporting period, changes in the estimated fair value of the preferred stock warrants are recorded in the statements of operations. The Company will continue to adjust the liability associated with the preferred stock warrants for changes in the estimated fair value until the earlier of the exercise or expiration of the preferred stock warrants, the completion of a sale of the Company or an IPO. Upon an IPO, the preferred stock warrants will convert into warrants to purchase common stock and any liabilities recorded for the preferred stock warrants will be reclassified to additional paid-in capital and will no longer be subject to remeasurement.

The Company issued common stock warrants in connection with the execution of a certain debt financing during the year ended December 31, 2015. Common stock warrants that are not considered derivative liabilities are accounted for at fair value at the date of issuance in additional paid-in capital. The fair value of these common stock warrants is determined using the Black-Scholes option-pricing model.

NOTE 1: The Company and Summary of Significant Accounting Policies (Continue)

Revenue Recognition

The Company derives its revenues primarily from lease of proprietary ADMs along with access to the browser-based interface KSOC through contracts under the lease accounting that typically have a twelve (12) month term. In addition, the Company derives non-lease revenue items such as professional services related to ADMs' deployments, special decals and training if any, recognized when control of these services is transferred to the customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those services.

The Company determines revenue recognition through the following steps:

- identification of the contract, or contracts, with a customer;
- identification of the performance obligations in the contract;
- determination of the transaction price;
- allocation of the transaction price to the performance obligations in the contract; and
- recognition of revenue when, or as, the Company satisfies a performance obligation.

The Company recognizes revenue as follows:

ADM subscription revenue

ADM subscription revenue is generated from lease of proprietary ADMs along with access to the browser-based interface KSOC through contracts that typically have 12-month terms. These revenue arrangements adhere to lease accounting guidance and are classified as leases for revenue recognition purposes. Currently, all revenue arrangements qualify as operating leases where consideration allocated to the lease deliverables is recognized ratably over the lease term.

Other revenue

Other non-ADM related revenue such as deployment services, decals and training revenue. Non-ADM revenue is recognized when services are delivered.

Cost of Services

Cost of services includes depreciation of the ADMs over the useful lives of the ADMs, labor and associated benefits incurred in the production and maintenance of the ADMs, data and communications fees, routine maintenance costs, shipping costs, and other direct costs incurred during assembly and deployment.

Deferred Revenues

In connection with the rentals of the Company's ADMs, the Company may receive payments for deployment before the earnings process is complete. In these situations, the Company records the payments received as deferred revenues and amortizes them over the term of the lease, which generally is a 12-month period.

Shipping and Handling Costs

The Company classifies certain shipping and handling costs as cost of services in the accompanying statements of operations. The amounts classified as cost of services represent shipping and handling costs associated with the deployment or returns of the ADMs directly to or from customers. Management believes that the classification of these shipping and handling costs as cost of services better reflects the cost of producing the ADMs and selling its services. Shipping and handling costs associated with the transportation of demonstration units shipped to sales personnel and customers are recorded as sales and marketing expenses.

NOTE 1: The Company and Summary of Significant Accounting Policies (Continue)

The shipping and handling costs recorded within cost of services totaled approximately $86,624 and $48,327 for the years ended December 31, 2018 and 2017, respectively. Shipping and handling costs recorded within sales and marketing totaled approximately $68,021 and $67,203 for years ended December 31, 2018 and 2017, respectively.

Share-Based Compensation

The Company accounts for stock-based compensation in accordance with ASC 718, *Compensation - Stock Compensation*, which requires that the estimated fair value on the date of grant be determined using the Black-Scholes option pricing model with the fair value recognized over the requisite service period of the awards, which is generally the option vesting period. Stock-based awards made to nonemployees are measured and recognized based on the estimated fair value on the vesting date and are re-measured at each reporting period. The Company's determination of the fair value of the stock-based awards on the date of grant, using the Black-Scholes option pricing model, is affected by the fair value of the Company's common stock as well as other assumptions regarding a number of highly complex and subjective variables. These variables include but are not limited to the Company's expected stock price volatility over the term of the awards, and actual and projected employee option exercise behaviors. Because there is insufficient historical information available to estimate the expected term of the stock-based awards, the Company adopted the simplified method of estimating the expected term of options granted by taking the average of the vesting term and the contractual term of the option. For awards with graded vesting, the Company recognizes stock-based compensation expense over the service period using the straight-line method, based on shares ultimately expected to vest. Beginning January 1, 2017, the Company elected to recognize forfeitures as they occur when calculating stock-based compensation for its equity awards.

Deferred Offering Costs

Prior to the completion of an offering, offering costs are capitalized. The deferred offering costs are charged against the net proceeds of the related stock issuances upon the completion of an offering or to expense if the offering is not completed or aborted.

Deferred Rent

Deferred rent consists of the difference between cash payments and the recognition of rent expense on a straight-line basis over the term of the lease.

Research & Development Costs

Research and development costs primarily consist of employee-related expenses, including salaries and benefits, share-based compensation expense, facilities costs, depreciation and other allocated expenses. Research and development costs are expensed as incurred.

Advertising Costs

Advertising costs are recorded in sales and marketing expense in the Company's statements of operations as incurred. Advertising expense was $2.3 million and $3.9 million for the years ended December 31, 2018 and 2017, respectively.

NOTE 1: The Company and Summary of Significant Accounting Policies (Continue)

Income Taxes

The Company uses the liability method of accounting for income taxes as set forth in ASC 740, *Income Taxes*. Under the liability method, deferred taxes are determined based on the temporary differences between the financial statement and tax basis of assets and liabilities using tax rates expected to be in effect during the years in which the basis differences reverse. A valuation allowance is recorded when it is unlikely that the deferred tax assets will not be realized. We assess our income tax positions and record tax benefits for all years subject to examination based upon our evaluation of the facts, circumstances and information available at the reporting date. In accordance with ASC 740-10, for those tax positions where there is a greater than 50% likelihood that a tax benefit will be sustained, our policy will be to record the largest amount of tax benefit that is more likely than not to be realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. For those income tax positions where there is less than 50% likelihood that a tax benefit will be sustained, no tax benefit will be recognized in the financial statements.

Basic and Diluted Net Loss per Share

Net loss per share of common stock is computed using the two-class method required for participating securities based on their participation rights. All series of convertible preferred stock are participating securities as the holders are entitled to participate in common stock dividends with common stock on an as converted basis. The holders of the Company's convertible preferred stock are also entitled to noncumulative dividends prior and in preference to common stock and do not have a contractual obligation to share in the losses of the Company. In accordance with the two-class method, earnings allocated to these participating securities, which include participation rights in undistributed earnings with common stock, are subtracted from net loss to determine net loss attributable to common stockholders upon their occurrence.

Basic net loss per share is computed by dividing net loss attributable to common stockholders by basic weighted-average shares outstanding during the period. All participating securities are excluded from basic weighted-average shares outstanding. In computing diluted net loss attributable to common stockholders, undistributed earnings are re-allocated to reflect the potential impact of dilutive securities. Diluted net loss per share attributable to common stockholders is computed by dividing net loss attributable to common stockholders by diluted weighted-average shares outstanding, including potentially dilutive securities, unless anti-dilutive. Potentially dilutive securities that were excluded from the computation of diluted net loss per share consist of the following:

	December 31,	
	2018	**2017**
Series A Preferred Stock (convertible to common stock)	8,936,015	8,936,015
Series B Preferred Stock (convertible to common stock)	4,653,583	4,653,583
Series m Preferred Stock (convertible to common stock)	5,339,215	6,666,638
Series m-2 Preferred Stock (convertible to common stock)	1,660,756	-
Series m-3 Preferred Stock (convertible to common stock)	1,449,543	1,038,571
Series S Preferred Stock (convertible to common stock)	348,637	-
Warrants to purchase common stock	121,913	44,500
Warrants to purchase Series B Preferred Stock	53,918	53,918
Warrants to purchase of Series m-1 Preferred Stock	266,961	266,961
Warrants to purchase of Series m-3 Preferred Stock	1,449,543	1,038,571
Stock options	9,029,814	2,340,883
Total potentially dilutive shares	33,309,898	25,039,640

As all potentially dilutive securities are anti-dilutive as of December 31, 2018 and 2017, diluted net loss per share is the same as basic net loss per share for each year.

NOTE 1: The Company and Summary of Significant Accounting Policies (Continue)

Accounting Pronouncements Adopted in 2018

On January 1, 2018, the Company adopted the requirements of ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* issued by the FASB utilizing the modified retrospective (cumulative effect) method of transition. Topic 606 also includes subtopic 340-40, Other Assets and Deferred Costs – Contracts with Customers, which requires the deferral of incremental costs of obtaining a contract with a customer. Collectively, the Company refers to Topic 606 and Subtopic 340-40 as "Topic 606" or the "new standard". The standard's stated core principle is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve this core principle, ASU 2014-09 includes provisions within a five-step model that includes identifying the contract with a customer, identifying the performance obligations in the contract, determining the transaction price, allocating the transaction price to the performance obligations, and recognizing revenue when, or as, an entity satisfies a performance obligation. Although the adoption of the new standard did not have impact on the Company's financial statements as previously reported prior to the adoption of Topic 606, it did impact the timing of when certain performance obligations get recognized, such as deployment services which were previously bundled with the ADM and recognized over the term of the customer arrangement versus under Topic 606, these are required to be recognized when the deployment services are being completed.

In November 2016, the FASB issued ASU 2016-08, *Statement of Cash Flows: Restricted Cash*, which requires entities to present the aggregate changes in cash, cash equivalents, restricted cash and restricted cash equivalents in the statement of cash flows. As a result, the statement of cash flows will be required to present restricted cash and restricted cash equivalents as part of the beginning and ending balances of cash and cash equivalents. The ASU is effective for interim and reporting periods beginning after December 31, 2017. Adoption of the ASU is retrospective. The Company adopted the ASU on January 1, 2018, and it did not have a material impact on its cash flow statements.

In March 2018, the FASB issued ASU 2018-05, *Income Taxes Topic (740): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 118* ("ASU 2018-05") to address the application of GAAP in situations when a registrant does not have the necessary information available, prepared or analyzed (including computations) in reasonable detail to complete the accounting for certain income tax effects of the Tax Cuts And Jobs Act. As of December 31, 2018, the Company's accounting for the Tax Act is complete and the Company did not have any significant adjustments to the provisional amounts recorded as of December 31, 2017. The Company recognizes that the IRS is continuing to publish and finalize ongoing guidance with respect to the Tax Act, which may modify accounting interpretation for the Tax Act. The Company would look to account for these impacts in the period of such change is enacted.

Recent Accounting Pronouncements Not Yet Effective

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842), which requires that lessees recognize a right-of-use asset and a lease liability on the balance sheet for all leases, with the exception of short-term leases. Both capital and operating leases will need to be recognized on the balance sheet. The standard is effective for interim and annual reporting periods beginning after December 15, 2018, with early adoption permitted. In 2018, the FASB issued ASU 2018-10 and 2018-11, providing, among other things, codification improvements and the optional transition method. The Company will adopt the standard in the first half of 2019, utilizing the optional transition method for adoption of Topic 842, which allows entities to continue to apply the legacy guidance in ASC 840, *Leases*, including disclosure requirements, in the comparative periods presented in the year of adoption. While the Company is continuing to assess the potential impact that the standard will have on its financial statements and related disclosures, the Company expects to take advantage of the transition package of practical expedients permitted within the new standard, which among other things, allows the Company to carryforward its historical lease classifications. The Company expects the impact of adoption of the new standard on the Company's statements of operations not to be material. The Company anticipates the most significant impact of adopting the new standard will primarily be the establishment of a right-of-use asset and a corresponding lease liability in its balance sheets.

NOTE 1: The Company and Summary of Significant Accounting Policies (Continue)

In June 2018, the FASB issued ASU 2018-07, *Compensation – Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting*, which expands the scope of Topic 718 to include and simplify financial reporting for share-based payments issued to nonemployees. This amendment is applicable to all public business entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018, with early adoption permitted. The adoption of this amendment is not expected to have a material impact on the Company's financial statements or disclosures.

In June 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurements*, which expands the disclosure requirements for Level 3 fair value measurements and expands disclosures for entities that calculate net assets value. This amendment is applicable to all public business entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019, with early adoption permitted. The Company expects to adopt this update effective fiscal half of 2020. The adoption of this amendment is not expected to have a material impact on the Company's financial statements or disclosures

NOTE 2: Fair Value Measurement

The Company determines the fair market values of its financial instruments based on the fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The following are three levels of inputs that may be used to measure fair value:

- Level 1 – Quoted prices in active markets for identical assets or liabilities. The Company considers a market to be active when transactions for the asset occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

- Level 2 – Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. The valuation of Level 3 investments requires the use of significant management judgments or estimation.

In certain cases where there is limited activity or less transparency around inputs to valuation, securities are classified as Level 3. Level 3 liabilities that are measured at fair value on a recurring basis consist of the convertible preferred stock warrant liabilities. The inputs used in estimating the fair value of the warrant liabilities are described in Note 5 — *Capital Stock and Warrants*.

NOTE 2: Fair Value Measurement (Continue)

The following tables summarize, for each category of assets or liabilities carried at fair value, the respective fair value as of December 31, 2018 and 2017 and the classification by level of input within the fair value hierarchy:

	Total	Level 1	Level 2	Level 3
December 31, 2018				
Assets				
Cash equivalents:				
Money market funds	$ 601,465	$ 601,465	$ -	$ -
Liabilities				
Warrant liability – Series B Preferred Stock	$ 39,899	$ -	$ -	$ 39,899
Warrant liability – Series m-1 Preferred Stock	$ 133,481	$ -	$ -	$ 133,481
Warrant liability – Series m-3 Preferred Stock	$ 111,468	$ -	$ -	$ 111,468

	Total	Level 1	Level 2	Level 3
December 31, 2017				
Assets				
Cash equivalents:				
Money market funds	$ 6,829,813	$ 6,829,813	$ -	$ -
Liabilities				
Warrant liability – Series B Preferred Stock	$ 70,742	$ -	$ -	$ 70,742
Warrant liability – Series m-1 Preferred Stock	$ 285,648	$ -	$ -	$ 285,648
Warrant liability – Series m-3 Preferred Stock	$ 924,328	$ -	$ -	$ 924,328

During the years ended December 31, 2018 and 2017, there were no transfers between Level 1, Level 2, or Level 3 assets or liabilities reported at fair value on a recurring basis and the valuation techniques used did not change compared to the Company's established practice.

The following table sets forth a summary of the changes in the fair value of Company's Level 3 financial liabilities during the year ended December 31, 2018, which were measured at fair value on a recurring basis:

	Warrant Liability
Balance at December 31, 2017	$ 1,280,718
Initial fair value of Series m-3 Preferred Stock warrants	174,641
Recovery on revaluation of Series B, m-1 and m-3 Preferred Stock warrants	(1,170,511)
Balance at December 31, 2018	$ 284,848

NOTE 3: Debt Obligations

Loan Payable and Security Agreement

In November 2016, the Company entered into a loan and security agreement (the "Loan Agreement") for $1,100,000 available to be used for general working capital purposes. The Loan Agreement is collateralized by all assets of the Company. Monthly payments of interest only are due in advance for the first six months, then principal and interest payments of $42,714 are due monthly for thirty months until maturity. The maturity date of each advance under the Loan Agreement is the date that is 36 months following the date the advance is made. Once repaid, the principal amount of the advance may not be re-borrowed. Outstanding borrowings under the Loan Agreement bear interest at 8.5% above the prime rate per annum (13.00% at December 31, 2017). Interest expense on the Loan Agreement during the years ended December 31, 2018 and 2017 was $44,246 and $133,213, respectively. The loan was fully repaid in May 2018.

NOTE 3: Debt Obligations (Continue)

Term Loan Agreement

In May 2018, the Company entered into a term loan agreement which allowed for individual term loans to be drawn in amounts totaling up to $3,500,000 until January 10, 2019. Each individual term loan called for 18 equal monthly payments of principal plus accrued interest which would fully amortize the term loan. Outstanding borrowings under the term loan agreement bear interest at 1.75% above the prime rate per annum. Only one individual term loan in the amount of $425,000 was drawn by the Company in May 2018. The individual term loan will mature in October 2019 and as of December 31, 2018 $250,000 in principal remained outstanding on the loan. Interest expense on the individual term loan during the year ended December 31, 2018 was $12,039. The loan was fully repaid in February 2019.

The Loan Agreement contains representations, warranties and covenants customary to similar credit facilities. To date, the Company has been compliant with this and all other affirmative and negative covenants in the term loan agreement. A warrant for 77,413 shares of Common B Stock was also issued to the lender in conjunction with this Loan Agreement and was recorded within Loan Payable as a debt issuance cost and is being amortized to interest expense using the effective interest method over the term of the loan (see Note 4 — *Capital Stock and Warrants*).

The amortized carrying amount of our debt consists of the following:

	December 31,	
	2018	**2017**
Loan due 2019, net of loan fees and discount	$ 194,199	$ 779,349
Capital lease obligation	4,153	20,388
Total debt	198,352	799,737
Less: current portion	(198,352)	(396,448)
Long-term debt	$ -	$ 403,289

The following table presents the scheduled principal payments by fiscal year of all the Company's outstanding financing arrangements as of December 31, 2018:

	Debt Obligations
2018	$ 250,000

NOTE 4: Capital Stock and Warrants

In July 2018, the Company amended and restated its Certificate of Incorporation. As of December 31, 2018, the Company was authorized to issue three classes of $0.001 par value stock consisting of Class A common stock ("Class A Common Stock"), Class B common stock ("Class B Common Stock") and Preferred Stock totaling 159,169,930 shares. The total number of shares the Company has the authority to issue under each class consists of common stock designated as 94,000,000 shares of Class A Common Stock and 30,000,000 shares of Class B Common Stock, 35,169,930 shares of $0.001 par value Preferred Stock, with Preferred Stock designated as 8,936,015 shares of Series A Preferred Stock ("Series A Preferred Stock"), 4,707,501 shares of Series B Preferred Stock ("Series B Preferred Stock"), 6,666,666 shares of Series m Preferred Stock ("Series m Preferred Stock"), 333,334 shares of Series m-1 Preferred Stock ("Series m-1 Preferred Stock"), 1,660,756 shares of Series m-2 Preferred Stock ("Series m-2 Preferred Stock"), 3,490,658 shares of Series m-3 Preferred Stock ("Series m-3 Preferred Stock") and 9,375,000 shares of Series S Preferred Stock ("Series S Preferred Stock").

Preferred Stock

Other than a change of control or in a liquidation, dissolution or winding up of the Company whether voluntary or involuntary or upon the occurrence of a deemed liquidation event, the preferred stock is non-redeemable. As a result of the liquidation preference, the preferred stock was not classified as part of stockholders' deficit in the accompanying balance sheets in accordance with ASC 480-10-S99, *SEC Materials*. The Company has excluded all series of preferred stock from being presented within stockholders' deficit in the accompanying balance sheets due to the nature of the liquidation preferences.

NOTE 4: Capital Stock and Warrants (Continue)

During the year ended December 31, 2017, the Company issued 6,666,638 shares of Series m Preferred stock for $3.00 per share pursuant to Regulation A of the Securities Act of 1933 as amended and from private placement transactions for total net proceeds of $18.2 million. The Company entered into Series m-3 Preferred Stock Purchase Agreements with certain purchasers pursuant to which the Company issued and sold directly to the purchasers an aggregate of 1,038,571 and 410,972 shares of the Company's Series m-3 Preferred Stock in December 2017 and the first half of 2018, respectively, par value $0.001 per share, at a price of $3.50 per share. The Company received net proceeds of approximately $3.6 million and $1.4 million in December 2017 and the first half of 2018, respectively.

In January and February 2018, the Company converted 1,327,423 shares of Series m Preferred Stock into shares of Series m-2 Preferred Stock at a 1:1 conversion ratio. In January 2018, the Company issued 333,333 shares of Series m-2 Preferred Stock, par value $0.001 per share, at a price of $3.00 per share.

On July 11, 2018, the Company commenced an offering of up to $50 million of its Series S Preferred Stock pursuant to Regulation D of the Securities Act, to raise additional capital for operations. The offering is to sell up to 6,250,000 shares of Series S Preferred Stock, which are convertible into shares of Class A Common Stock, at a price of $8.00 per share. As of December 31, 2018, the Company received net proceeds of approximately $2.6 million through the Regulation D offering.

The following tables summarize convertible preferred stock authorized and issued and outstanding as of December 31, 2018 and 2017:

December 31, 2018	Shares Authorized	Shares Issued and Outstanding	Proceeds Net of Issuance Costs	Aggregate Liquidation Preference
Series A Preferred Stock	8,936,015	8,936,015	$ 5,219,778	$ 7,981,649
Series B Preferred Stock	4,707,501	4,653,583	9,441,770	9,493,775
Series m Preferred Stock	6,666,666	5,339,215	18,133,632	16,017,645
Series m-1 Preferred Stock	333,334	-	-	-
Series m-2 Preferred Stock	1,660,756	1,660,756	999,999	4,982,268
Series m-3 Preferred Stock	3,490,658	1,449,543	4,898,760	5,073,401
Series S Preferred Stock	9,375,000	348,637	2,627,875	2,789,096
	35,169,930	22,387,749	$ 41,321,814	$ 46,337,834

All classes of preferred stock have a par value of $0.001 per share.

Conversion Rights

Each share of Series A Preferred Stock, Series B Preferred Stock and Series m-2 Preferred Stock (collectively known as "Super Voting Preferred Stock") is convertible at the option of the holder at any time after the date of issuance of those shares into fully paid non-assessable shares of Class B Common Stock. Each share of Series m Preferred Stock, Series m-1 Preferred Stock, Series m-3 Preferred Stock and Series S Preferred Stock (collectively known as "Ordinary Preferred Stock") is convertible at the option of the holder at any time after the date of issuance of such shares into fully paid non-assessable shares of Class A Common Stock. Both Super Voting Preferred Stock and Ordinary Preferred Stock will be automatically converted into fully paid non-assessable shares of Class A Common Stock (i) immediately prior to an IPO, or (ii) upon receipt by the Company of a written request for such conversion from the holders of a majority of the preferred stock then outstanding and voting as a single class on an as-converted basis.

NOTE 4: Capital Stock and Warrants (Continue)

Voting rights

The holders of the Series A, Series B, Series m and Series m-3 Preferred Stock are entitled to voting rights equal to the number of shares of common stock into which each share of preferred stock could be converted at the record date for a vote, except as otherwise required by law, and has voting rights and powers equal to the voting rights and powers of the common stockholders. Super Voting Preferred stockholders vote on an as converted to Class B Common Stock basis and Class B Common Stock are entitled to ten votes for each share of Class B Common Stock held. Ordinary Preferred stockholders are entitled to one vote for each share of Class A Common Stock held. Class A and Class B Common stockholders vote together as one class on all matters. The holders of the preferred stock, the Class A Common Stock and Class B Common Stock vote together and not as separate classes.

Dividends

The holders of the outstanding shares of preferred stock are entitled to receive dividends, when, as and if declared by the Board of Directors, out of any assets at the time legally available payable and in preference and priority to any declaration or payment of any dividend on the common stock of the Company. Dividends would be payable at the following non-cumulative dividend rates: $0.0536 and $0.1224 per share for Series A Preferred Stock and Series B Preferred Stock, respectively, $0.1800 for Series m, Series m-1 and Series m-2 Preferred Stock, and $0.2100 and $0.48 for Series m-3 Preferred Stock and Series S Preferred Stock, respectively.

No distributions will be made with respect to the Series B Preferred Stock, the Series m Preferred Stock, the Series m-1 Preferred Stock, the Series m-2 Preferred Stock, Series A Preferred Stock or Series m-3 Preferred Stock unless dividends on the Series S Preferred Stock have been paid or payment has been set aside for payment to them.

No distributions will be made with respect to the Series A Preferred Stock or Series m-3 Preferred Stock unless dividends on the Series B Preferred Stock, Series m Preferred Stock, Series m-1 Preferred Stock and Series m-2 Preferred Stock have been paid or payment has been set aside for payment to them.

No distributions will be made with respect to the Series m-3 Preferred Stock until dividends on the Series A Preferred Stock have been paid or payment has been set aside for payment. No distributions will be made with respect to the Common Stock unless all declared dividends on the Series m-3 Preferred Stock have been paid or payment has been set aside for payment.

The right to receive dividends is not cumulative. No dividends were declared through December 31, 2018.

Liquidation Rights

The preferred stockholders have liquidation preferences over the common stockholders in the amount of $0.8932 and $2.0401 for the Series A Preferred Stock and Series B Preferred Stock, respectively, $3.00 per share for the Series m Preferred Stock, Series m-1 Preferred Stock and Series m-2 Preferred Stock, $3.50 per share for the Series m-3 Preferred Stock and $8.00 per share for the Series S Preferred Stock, respectively.

In the event of any liquidation, dissolution or winding up of the Company, either voluntary or involuntary, the holders of Series S Preferred Stock are entitled to received, prior and in preference to any distribution of any of the assets of the Company to the holders of the Series A Preferred Stock, Series B Preferred Stock, Series m Preferred Stock, Series m-1 Preferred Stock, Series m-2 Preferred Stock, Series m-3 Preferred Stock or Common Stock, an amount per share equal to their respective liquidation preferences and all declared and unpaid dividends on such shares, if any. If upon the occurrence of such event, the assets and funds distributed among the holders of the Series S Preferred Stock are insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then, the entire assets and funds of the Company legally available for distribution are to be distributed with equal priority and pro rata among the holders of the Series S Preferred Stock in proportion to the full amounts they would otherwise be entitled to receive.

NOTE 4: Capital Stock and Warrants (Continue)

After such payment has been made to the holders of Series S Preferred Stock, the holders of Series B Preferred Stock, Series m Preferred Stock, Series m-1 Preferred Stock and Series m-2 Preferred Stock are entitled to receive, prior and in preference to any distribution of any of the assets of the Company of the holders of Series A Preferred Stock and Series m-3 Preferred Stock or Common stock, an amount per share equal to their respective liquidation preferences and all declared and unpaid dividends on such shares, if any. If upon the occurrence of such event, the assets and funds distributed among the holders of the Series B Preferred Stock, Series m Preferred Stock, Series m-1 Preferred Stock and Series m-2 Preferred Stock are insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then, the entire assets and funds of the Company legally available for distribution are to be distributed with equal priority and pro rata among the holders of the Series B Preferred Stock, Series m Preferred Stock, Series m-1 Preferred Stock and Series m-2 Preferred Stock in proportion to the full amounts they would otherwise be entitled to receive.

After such payment has been made to the holders of Series S Preferred Stock, Series B Preferred Stock, Series m Preferred Stock, Series m-1 Preferred Stock and Series m-2 Preferred Stock, the holders of Series A Preferred Stock are entitled to receive, prior and in preference to any distribution of any of the assets of the Company to the holders of Common stock or Series m-3 Preferred Stock, amounts per share equal to the liquidation preference specified for each share of Series A Preferred Stock and all declared but unpaid dividends on such shares. If upon the occurrence of such event, the assets and funds distributed among the holders of the Series A Preferred Stock are insufficient to permit the payment to such holders of the full preferential amounts, then the entire assets and funds of the Company legally available for distribution to Series A Preferred stockholders are to be distributed with equal priority and pro rata among the holders of the Series A Preferred Stock in proportion to the full amounts they would otherwise be entitled to receive.

After the holders of the Series S Preferred Stock, Series B Preferred Stock, Series m Preferred Stock, Series m-1 Preferred Stock, Series m-2 Preferred Stock and the Series A Preferred Stock have been paid in full, the holders of the Series m-3 Preferred Stock will be entitled to receive, prior and in preference to any distribution of the assets of the Company to the holders of Common stock amounts per share equal to the liquidation preference specified for each share of Series m-3 Preferred Stock and all declared but unpaid dividends on such shares. If upon the occurrence of such event, the assets and funds distributed among the holders of the Series m-3 Preferred Stock are insufficient to permit the payment to such holders of the full preferential amounts, then the entire assets and funds of the Company legally available for distribution to Series m-3 Preferred stockholders are to be distributed with equal priority and pro rata among the holders of the Series m-3 Preferred Stock in proportion to the full amounts they would otherwise be entitled to receive.

After such payments have been made to the holders of all convertible preferred stock, no further payments shall be made to the holders of the convertible preferred stock and any remaining assets of the Company shall be distributed with equal priority and pro rata among the holders of the Company's Common stock.

Common Stock

Each share of Class B Common Stock is convertible into one fully paid and non-assessable share of Class A Common Stock at the option of the holder at any time. Each share of Class B Common Stock will automatically convert into one fully paid and non-assessable share of Class A Common Stock upon the sale, assignment, transfer or disposition of the share or any interest in the share.

Warrants

Warrants to purchase 44,500 shares of common stock for $0.25 per share were outstanding as of December 31, 2018. The warrants expire in April 2025 and are subject to automatic conversion if the fair value of the Company's stock exceeds the exercise price as of the expiration date.

NOTE 4: Capital Stock and Warrants (Continue)

On November 7, 2016, the Company issued warrants to purchase 53,918 shares of Series B Preferred Stock in connection with a Loan and Security Agreement (see Note 4 – *Debt Obligations*). The exercise price for the Series B Preferred Stock warrants is the lower of (1) the lowest price per share paid by new cash investors in the next round of financing, (2) the initial offering price per share to the public in a Qualified IPO of the Company, (3) the Regulation A Price, or (4) $2.0401 per share. The warrants issued qualify as liability instruments as the warrants are exercisable into Series B Preferred Stock, which are redeemable upon a change of control or any liquidation or winding up of the Company, whether voluntary or involuntary. The warrants expire in November 2026 or two years following qualifying events and are subject to automatic conversion if the fair value of the Company's stock exceeds the exercise price as of the expiration date. In lieu of exercising Series B Preferred Stock warrants, if the fair value of one share is greater than the exercise price (at the date of calculation), the warrants may be exchanged for a number of Series B Preferred Stock shares.

On February 8, 2017, the Board of Directors approved the issuance of a warrant to the Company's exclusive placement agent in connection with the Regulation A Issuer Agreement between the Company and the placement agent as partial consideration for services rendered in connection with the Company's Regulation A offering in which the Company sold Series m Preferred Stock. The warrant was for the purchase of up to 5% of the number of securities issued (or issuable) to prospects in the Regulation A offering or up to a maximum of 317,460 shares of Series m Preferred Stock at an exercise price equal to the price per share paid by the prospects in the offering. The expiration date of the warrant is five years from the qualification of the offering with the SEC. On December 17, 2017, the measurement date, the Company issued the Series m-1 warrant to the placement agent for the right to purchase 266,961 shares of the Company's Series m-1 Preferred Stock at an exercise price of $3.00 per share with an expiration date of December 23, 2021. The Company currently has no shares of Series m-1 Preferred Stock issued or outstanding. The warrants issued qualify as liability instruments as the warrants are exercisable into Series m-1 Preferred Stock which are redeemable upon a change of control or any liquidation or winding up of the Company whether voluntary or involuntary. The warrants have been classified as a noncurrent liability on the Company's balance sheets and were recorded as a component of the issuance costs related to the Regulation A offering. The Series m-1 warrant is valued at market at the end of every reporting period until the warrant is exercised or expires with the change in fair value being recorded in other income/(expense) on the Company's statements of operations.

On December 19, 2017, the Company issued warrants in connection with the Company's Series m-3 financing under Regulation D to purchase an aggregate of 1,038,571 shares of the Company's Series m-3 Preferred Stock. The warrants have an exercise price of $4.00 per share and expire on the earlier of: a) two years from the date of the warrant; b) the acquisition of the Company by another entity by means of any transaction or series of transactions to which the Company is a party or sale, lease or disposition of all or substantially all of the assets of the Company, or c) immediately prior to the closing of an initial public offering pursuant to an effective registration statement filed under the Securities Act covering the offering and sale of the Company's common stock. The warrants issued qualify as liability instruments as the warrants are exercisable into Series m-3 Preferred Stock which are redeemable upon a change of control or any liquidation or winding up of the Company whether voluntary or involuntary. The warrants have been classified as a noncurrent liability on the Company's balance sheets and were recorded as a component of the issuance costs related to the Series m-3 Preferred Stock. The Series m-3 warrant is valued at market at the end of every reporting period until the warrant is exercised or expires with the change in fair value being recorded in other income/(expense) on the Company's statements of operations.

On January 16, 2018, March 16, 2018, and June 20, 2018, the Company issued warrants in connection with the Company's Series m-3 financing to purchase an aggregate of 410,972 shares of the Company's Series m-3 Preferred Stock. The warrants have an exercise price of $4.00 per share and expire on the earlier of: a) two years from the date of the warrant; b) the acquisition of the Company by another entity by means of any transaction or series of transactions to which the Company is a party or sale, lease or disposition of all or substantially all of the assets of the Company, or c) immediately prior to the closing of an initial public offering pursuant to an effective registration statement filed under the Securities Act covering the offering and sale of the Company's common stock. The warrants issued qualify as liability instruments as the warrants are exercisable into Series m-3 Preferred Stock which are redeemable upon a change of control or any liquidation or winding up of the Company whether voluntary or involuntary. The warrants have been classified as a noncurrent liability on the Company's balance sheets and were recorded as a component of the issuance costs related to the Series m-3 Preferred Stock. The Series m-3 warrant is valued at market at the end of every reporting period until the warrant is exercised or expires with the change in fair value being recorded in other income/(expense) on the Company's statements of operations.

NOTE 4: Capital Stock and Warrants (Continue)

In connection with the Term Loan Agreement entered into in May 2018 (see Note 4 – *Debt Obligations*), the Company issued a warrant to purchase 77,413 shares of Class B Common Stock. The warrant has an exercise price of $1.26 per share and expires on the earlier of ten years from the date of the warrant and is subject to automatic conversion if the fair value of the Company's stock exceeds the exercise price as of the expiration date. The Company determined the fair value of this warrant using the Black-Scholes option pricing model. The fair-value of the Series B warrant of $79,645 was recorded as a discount to the underlying loan at the execution date of the Term Loan Agreement resulting in the recognition of interest expense in the amount of $35,736 during the year ended December 31, 2018.

Common Stock Reserved for Future Issuance

Shares of common stock reserved for future issuance relate to outstanding preferred stock, warrants and stock options as follows:

	December 31, 2018
Series A Preferred Stock	8,936,015
Series B Preferred Stock	4,653,583
Series m Preferred Stock	5,339,215
Series m-2 Preferred Stock	1,660,756
Series m-3 Preferred Stock	1,449,543
Series S Preferred Stock	348,637
Stock options to purchase common stock	4,167,924
Warrants outstanding for future issuance of convertible preferred stock and common stock	1,892,335
Stock options available for future issuance	4,861,890
Total shares of common stock reserved	33,309,898

NOTE 5. Share-Based Compensation

Equity Incentive Plans

In April 2014, the Board of Directors adopted the 2014 Equity Incentive Plan (the "2014 Plan") allowing for the issuance of up to 2,000,000 shares of common stock through grants of options, stock appreciation rights, restricted stock or restricted stock units. In December 2016, the 2014 Plan was terminated, and the Company's Board of Directors adopted a new equity incentive plan defined as the 2016 Equity Incentive Plan (the "2016 Plan") in which the remaining 1,936,014 shares available for issuance under the 2014 Plan at that time were transferred to the Company's 2016 Plan. Awards outstanding under the 2014 Plan at the time of the 2014 Plan's termination will continue to be governed by their existing terms. The shares underlying any awards that are forfeited, canceled, repurchased or are otherwise terminated by the Company under the 2014 Plan will be added back to the shares of common stock available for issuance under the Company's 2016 Plan. The 2016 Plan provides for the granting of stock awards such as incentive stock options, nonstatutory stock options, stock appreciation rights, restricted stock or restricted stock units to employees, directors and outside consultants as determined by the Board of Directors. Upon the termination of the 2014 Plan, all shares granted revert to the 2016 Plan. As of December 31, 2018, 4,861,890 shares were available for future grants under the 2016 Plan.

NOTE 5. Share-Based Compensation (Continue)

The Board may grant stock options under the 2016 Plan at a price of not less than 100% of the fair market value of the Company's common stock on the date the option is granted. The option exercise price generally may not be less than the underlying stock's fair market value at the date of grant and generally have a term of ten years. Incentive stock options granted to employees who, on the date of grant, own stock representing more than 10% of the voting power of all of the Company's classes of stock, are granted at an exercise price of not less than 110% of the fair market value of the Company's common stock. The maximum term of incentive stock options granted to employees who, on the date of grant, own stock having more than 10% of the voting power of all the Company's classes of stock, may not exceed five years. The Board of Directors also determines the terms and conditions of awards, including the vesting schedule and any forfeiture provisions. Options granted under the 2016 Plan may vest upon the passage of time, generally four years, or upon the attainment of certain performance criteria established by the Board of Directors. The Company may from time to time grant options to purchase common stock to nonemployees for advisory and consulting services. At each measurement date, the Company will remeasure the fair value of these stock options using the Black-Scholes option pricing model and recognize the expense ratably over the vesting period of each stock option award. The amounts granted each calendar year to an employee or non-employee is limited depending on the type of award. Stock options comprise all of the awards granted since the Plan's inception.

Stock option activity under all of the Company's equity incentive plans as of December 31, 2018 is as follows:

	Shares Available for Grant	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Outstanding at December 31, 2017	1,936,014	2,693,800	$ 0.401	8.36	
Authorized	1,748,814	-	-		
Granted	-	-	-		
Forfeited	352,917	(352,917)	0.559		
Outstanding at December 31, 2017	2,288,931	2,340,883	0.378	6.88	
Authorized	4,400,000	-			
Granted	(2,096,000)	2,096,000	1.260		
Forfeited	268,959	(268,959)	1.000		
Outstanding at December 31, 2018	4,861,890	4,167,924	$ 0.780	6.61	$ 1,911,709
Vested and exercisable at December 31, 2018		2,301,135	$ 0.470	4.54	

The weighted average grant date fair value of options granted during the year ended December 31, 2018 was $0.62 per share. No options were granted during the year ended December 31, 2017. There were no option exercises during the year ended December 31, 2018. The fair value of the shares subject to stock options that were vested at December 31, 2018 and 2017 was $507,842 and $130,517, respectively. As of December 31, 2018, the Company had unamortized stock-based compensation expense of $1,005,558 that will be recognized over the average remaining vesting term of options of 2.94 years.

The assumptions utilized for option grants during the years ended December 31, 2018 and 2017 are as follows:

	December 31, 2018	2017
Risk-free interest rate	2.79-2.86%	-%
Expected dividend yield	-%	-%
Expected volatility	48.27%	-%
Expected term (in years)	6	-

NOTE 5. Share-Based Compensation (Continue)

A summary of stock-based compensation expense recognized in the Company's statements of operations is as follows:

	Year ended December 31,	
	2018	2017
Cost of services	$ 34,184	$ 40,247
Research and development	215,061	18,238
Sales and marketing	25,501	1,961
General and administrative	63,769	28,273
Total	$ 338,515	$ 88,719

NOTE 6: Employee Benefit Plan

The Company administers a 401(K) retirement plan (the "401(K) Plan") in which all employees are eligible to participate. Each eligible employee may elect to contribute to the 401(K) Plan. During the years ended December 31, 2018 and 2017, the Company has made no matching contributions.

NOTE 7: Income Taxes

The provision for income taxes consisted of the following:

	Years Ended December 31,	
	2018	2017
Current:		
Federal	$ -	$ -
State	800	800
Total	800	800
Deferred:		
Federal	-	-
State	-	-
	-	-
Total provision for income taxes	$ 800	$ 800

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The following table presents the significant components of the Company's deferred tax assets and liabilities for the periods presented:

	December 31,	
	2018	2017
Deferred tax assets:		
Net operating loss carryforwards	$ 9,769,961	$ 6,064,041
Research and development credit carryforwards	725,739	535,797
Accruals and other	158,714	60,560
Amortization	46,033	45,055
Total deferred tax assets	10,700,447	6,705,553
Valuation allowance	(10,612,948)	(6,674,328)
Deferred tax assets After Valuation Allowance	87,500	31,225
Depreciation	(87,500)	(31,225)
Total deferred tax liabilities	(87,500)	(31,225)
Net deferred tax asset/(liability)	$ -	$ -

NOTE 7: Income Taxes (Continue)

The Company considers all available evidence, both positive and negative, including historical levels of taxable income, expectations and risks associated with estimates of future taxable income, and ongoing prudent and feasible tax planning strategies in assessing the need for a valuation allowance. At December 31, 2018 and 2017, based on the Company's analysis of all available evidence, both positive and negative, it was considered more likely than not that the Company's deferred tax assets would not be realized and, as a result, the Company recorded a full valuation allowance for its deferred tax assets. The valuation allowance increased $3,938,620 and $2,124,624 during the years ended December 31, 2018 and 2017, respectively.

As of December 31, 2018, the Company had U.S. federal net operating loss carryforwards amounts of approximately $36,640,000 which begin to expire in 2033. As of December 31, 2018, the Company had federal research and development tax credits of approximately $285,000 which begin to expire in 2033.

As of December 31, 2018, the Company had state net operating loss carryforwards amounts of approximately $26,310,000 which begin to expire in 2023. As of December 31, 2018, the Company had state research and development tax credits of approximately $757,000 which do not expire.

On December 22, 2017, the Tax Cuts and Jobs Act ("Tax Act") was signed into law. Among other changes is a permanent reduction in the federal corporate income tax rate from 35% to 21% effective January 1, 2018. This change in tax rate resulted in a reduction in our net U.S. deferred tax assets before valuation allowance by $3.0 million, which was fully offset by our valuation allowance.

In December 2017, the SEC staff issued Staff Accounting Bulletin No. 118, Income Tax Accounting Implications of the Tax Cuts and Jobs Act ("SAB 118"), which allows the Company to record provisional amounts during a measurement period not to extend beyond one year of the enactment date. The Company's accounting for the Tax Act is complete and the Company did not have any significant adjustments to provisional amounts recorded as of December 31, 2017.

Utilization of the federal and state net operating loss and federal and state research and development tax credit carryforwards may be subject to annual limitations due to the ownership percentage change provisions of the Internal Revenue Code Section 382 and similar state provisions. The annual limitations may result in the inability to fully offset future annual taxable income and could result in the expiration of the net operating loss carry forwards before utilization.

The Company's unrecognized tax benefits at December 31, 2018 relate entirely to research and development credits. The total amount of unrecognized tax benefits at December 31, 2018 is $181,124. If recognized, none of the unrecognized tax benefits would impact the effective tax rate because of the valuation allowance. The Company's policy is to recognize interest and penalties to income taxes as components of interest expense and other expense, respectively. The Company did not accrue interest or penalties related to unrecognized tax benefits as of December 31, 2018. The Company does not anticipate any significant change within twelve months of this reporting date.

The Company files income tax returns in the U.S. federal jurisdiction and various state jurisdictions. Due to the Company's net operating loss carryforwards, all tax years since inception remain subject to examination by federal and California tax authorities. The Company is not currently under audit in any major tax jurisdiction.

NOTE 8: Related parties and related party transactions

One of the Company's vendors, Konica Minolta, Inc. ("Konica Minolta"), is a stockholder of the Company. Konica Minolta provides the Company with repair services to its ADMs. The Company has paid to Konica Minolta $519,944 and $142,092 in service fees for the years ended December 31, 2018 and 2017, respectively. The Company had payables of $44,638 and $55,050 owed to Konica Minolta as of December 31, 2018 and 2017, respectively.

NOTE 9: Commitments and contingencies

Leases

The Company leases facilities for office space under non-cancelable operating lease agreements. The Company leases space for its corporate headquarters in Mountain View, California through August 2023.

The following are the future minimum lease obligations on the Company's lease agreements as of December 31, 2018:

December 31,	Lease Obligations
2019	$ 675,080
2020	717,640
2021	733,600
2022	749,560
2023	506,800
	$ 3,382,680

Rent expense totaled $721,874 and $593,224 for the years ended December 31, 2018 and 2017, respectively, included in the Company's statements of operations. Rent expenses for the year ended December 31, 2018 included $112,017 rent expenses related to the Company's New York showroom.

Legal Matters

The Company may be subject to pending legal proceedings and regulatory actions in the ordinary course of business, however no such claims have been identified as of December 31, 2018 that would have a material adverse effect on the Company's financial position, results of operations or cash flows.

The Company from time to time enters into contracts that contingently require the Company to indemnify parties against third party claims. These contracts primarily relate to: (i) arrangements with customers which generally include certain provisions for indemnifying customers against liabilities if the services infringe a third party's intellectual property rights, (ii) the Regulation A Issuer Agreement where the Company may be required to indemnify the placement agent for any loss, damage, expense or liability incurred by the other party in any claim arising out of a material breach (or alleged breach) as a result of any potential violation of any law or regulation, or any third party claim arising out of any investment or potential investment in the offering, and (iii) agreements with the Company's officers and directors, under which the Company may be required to indemnify such persons from certain liabilities arising out of such persons' relationships with the Company. The Company has not incurred any material costs as a result of such obligations and has not accrued any liabilities related to such obligations in the financial statements at December 31, 2018 and 2017.

Sales Tax Contingencies

The Company has historically not collected state sales tax on the sale of its Machine-as-a-Service product offering but has paid sales tax and use tax on all purchases of raw materials. The Company's Machine-as-a-Service product offering may be subject to sales tax in certain jurisdictions. If a taxing authority were to successfully assert that the Company has not properly collected sales or other transaction taxes, or if sales or other transaction tax laws or the interpretation thereof were to change, and the Company was unable to enforce the terms of their contracts with customers that give the right to reimbursement for the assessed sales taxes, tax liabilities in amounts that could be material may be incurred. Based on the Company's assessment, the Company has recorded a sales tax liability of $206,766 and $80,095 at December 31, 2018 and 2017, respectively, which has been included on other current liabilities on the accompanying balance sheets. The Company continues to analyze possible sales tax exposure, but does not currently believe that any individual claim or aggregate claims that might arise will ultimately have a material effect on its results of operations, financial position or cash flows.

NOTE 10: Subsequent Events

On February 28, 2019 the Company paid in full the outstanding loan with Silicon Valley Bank.

On February 28, 2019 the Company entered into a financing arrangement with Farnam Street Financial ("Farnam") for $3,000,000 ("Financing Arrangement"). Under this Financing Arrangement, the Company collateralized fifty (50) ADMs and have an initial repayment period of two years for a monthly fee of $121,129 per month plus tax and an option to purchase these ADMs back for $1,350,000 plus tax or, at the end of the two year period (March 2021) the Company can elect to extend the repayment period for additional year at a monthly fee of $66,621 per month plus tax with an final payment of $600,000 plus tax at the end of the additional year. The effective interest rate under the two and or three-year repayment periods is 35% and 31%, respectively.

Management has evaluated subsequent events through April 29, 2019, the date the financial statements were available to be issued. Based on this evaluation, no additional material events were identified which require adjustment or disclosure in these financial statements.

Subsequent events after the issuance of the audit report (unaudited)

On April 30, 2019 the Company signed a Note and Warrant Purchase Agreement under the form of which the Company can issue up to $15,000,000 of convertible promissory notes and warrants to purchase up to 3,000,000 shares of Series S Preferred Stock (20% warrant coverage) (the "Convertible Note Financing").

Warrants to purchase shares of Series S Preferred Stock of the Company were also issued to investors who invested in the Convertible Note Financing. The warrants to purchase shares of Series S Preferred Stock have an exercise price of $4.50 per share and expire on the earlier of December 31, 2021 or 18 months after the closing of the Company's first firm commitment underwritten initial public offering of the Company's common stock pursuant to a registration statement filed under the Securities Act. The convertible promissory notes have a maturity date of January 1, 2022, provide for payment in kind (PIK) interest at a rate of 12% per annum, are generally the most senior company security (subject to limited subordination carve-outs) and provide for significant discounts upon a qualified financing or an initial public offering, and for a premium upon a change of control. As of July 11, 2019, the Company has issued convertible notes in the aggregate principal amount of $1,372,000 and warrants to purchase up to 274,400 shares of Series S Preferred Stock.

In connection with the Convertible Note Financing, on May 17, 2019, the Company has amended its certificate of incorporation to (i) increase the number of authorized shares of Class A Common Stock, par value $0.001 per share, to a total of 114,000,000 shares, (ii) increase the number of authorized shares of Preferred Stock, par value $0.001 per share, to a total of 43,405,324 shares (the "Preferred Stock"), (iii) increase the number of authorized shares of Series S Preferred Stock, par value $0.001 per share, to a total of 13,108,333 shares, (iv) create a new series of Preferred Stock, designated Series m-4 Preferred Stock, par value $0.001 per share, consisting of 4,502,061 authorized shares, (v) establish the rights, preferences, privileges and restrictions of the Common Stock and the Preferred Stock, (vi) provide for payment of a PIK Dividend (as defined in the amended and restated certificate of incorporation) on the Series m-4 Preferred Stock, and (vii) make certain other changes, all as set forth in the Amended and Restated Certificate of Incorporation in the form approved by the Company's board and stockholders.

The issuance of the warrants to purchase Series S Preferred Stock is expected to trigger an anti-dilution adjustment to the conversion ratio of the Series S Preferred Stock to Common Stock. Pursuant to the terms of the Convertible Note Financing, the Company has become obligated to exchange all or a portion of its outstanding shares of Series m-3 Preferred Stock for the newly authorized shares of Series m-4 Preferred Stock and on June 10, 2019, the Company issued 1,432,786 shares of its Series m-4 Preferred Stock in exchange for 1,432,786 shares of its shares of Series m-3 Preferred Stock. The Series m-4 Preferred Stock has a senior liquidation preference to all other Preferred Stock and Common Stock of the Company, has an accruing payment in kind (PIK) dividend of 12%, and has certain other preferential rights, including voting rights, as further explain in the Company's amended and restated certificate of incorporation.

In connection with the Convertible Note Financing, William Santana Li, the Chief Executive Officer and sole director of the Company, was granted a voting proxy to vote substantially all of the shares of the Company's Series m-4 Preferred Stock, and the stock issued upon the conversion of warrants to purchase all of the shares of the Company's Series m-3 Preferred stock and upon the conversion of warrants to purchase shares of the Company's Series S Preferred stock, and the stock issuable upon conversion of the convertible promissory notes issued as part of the Convertible Note Financing, in each case to the extent that such shares are held by participants in the Convertible Note Financing.

On June 28, 2019 and July 9, 2019, the Company held closings of its Regulation D offering pursuant to which it sold 29,092 shares of Series S Preferred Stock in the aggregate at $8 per share, for aggregate gross proceeds of $232,736.

PART III
INDEX TO EXHIBITS

Item 8. Exhibits.

The documents listed in the Exhibit Index of this report are incorporated by reference, as indicated below.

Exhibit Number	Description	Filed/Furnished/ Incorporated by Reference from Form	Incorporated by Reference from Exhibit No.	Date Filed
1.1	Engagement Letter with Maxim Group, LLC dated March 12, 2019 ("Maxim Engagement Letter")	Filed		
1.2	Amendment to Maxim Engagement Letter dated April 4, 2019	Filed		
1.3	Second Amendment to Maxim Engagement Letter dated May 20, 2019	Filed		
1.4	Third Amendment to Maxim Engagement Letter dated June 19, 2019	Filed		
1.5	Fourth Amendment to Maxim Engagement Letter dated June 24, 2019	Filed		
1.6	Fifth Amendment to Maxim Engagement Letter dated July 5, 2019	Filed		
1.7	Services Agreement with StartEngine CrowdFunding, Inc. dated July 6, 2019	Filed		
2.1	Amended and Restated Certificate of Incorporation	Filed		
2.2	Bylaws	Incorporated by reference from Form 1-A/A	2.2	December 7, 2016
3.1	Note and Warrant Purchase Agreement	Filed		
3.2	Convertible Promissory Note	Filed		
3.3	Warrant to Purchase Series S Preferred Stock	Filed		
3.4	Lease Agreement with Farnam Street Financial, Inc. dated February 8, 2019 (the "Farnam Agreement")	Filed		
3.5	Exhibits and Schedules to the Farnam Agreement	Filed		
3.6	Form of Exchange Agreement for purchasers of Series m-4 Preferred Stock	Filed		
3.7	Form of Voting Proxy	Filed		
4.1	Form of Subscription Agreement for existing holders of Series S Preferred Stock	Filed		
4.2	Form of Subscription Agreement for purchasers of Series S Preferred Stock under Regulation A	Filed		
6.1	2014 Equity Incentive Plan	Incorporated by reference from Form 1-A/A	6.1	December 7, 2016
6.2	2016 Equity Incentive Plan	Incorporated by reference from Form 1-A/A	6.2	December 7, 2016
6.3	Loan and Security Agreement dated as of May 23, 2018, as amended	Incorporated by reference from Form 1-U	6.1	June 4, 2018
6.4	Lease Agreement dated April 1, 2017 between Terra Bella Partners LLC and the Company	Incorporated by reference from Form 1-SA	6.4	September 29, 2017
6.5	Lease Agreement dated January 14, 2018 between Terra Bella Partners LLC and the Company, as amended February 6, 2018	Incorporated by reference from Form 1-K	6.5	April 30, 2018
8.1	Escrow Services Agreement among Prime Trust, LLC, the Company and Maxim Group LLC dated as of July 17, 2019	Filed		
11.1	Independent Auditor's Consent	Filed		
12.1	Opinion of Wilson Sonsini Goodrich & Rosati, Professional Corporation as to the legality of the securities being qualified	Filed		

SIGNATURES

Pursuant to the requirements of Regulation A, the issuer certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form 1-A and has duly caused this Offering Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Mountain View, California, on July 18, 2019.

Knightscope, Inc.

/s/ William Santana Li
By William Santana Li, Chief Executive Officer

This Offering Statement has been signed by the following person in the capacities and on the date indicated.

/s/ William Santana Li
By William Santana Li, as Chief Executive Officer and Sole Director
Date:

/s/ Marina Hardof
By Marina Hardof, as Chief Financial Officer and Principal Accounting Officer
Date:

Exhibit 1.1

DRAFT; SUBJECT TO MAXIM GROUP COMMITMENT COMMITTEE APPROVAL

CONFIDENTIAL

March 12, 2019

William Santana Li
Chairman and CEO
Knightscope, Inc.
1070 Terra Bella Avenue
Mountain View, CA 94043

RE: Rule 506(c) Private Placement

Dear Mr. Li:

This letter confirms our agreement that Knightscope, Inc., a Delaware corporation (collectively with its owned or controlled subsidiaries, the "**Company**") has engaged Maxim Group LLC (together with its owned or controlled subsidiaries, the "**Placement Agent**") to act as the Company's exclusive Placement Agent for all online retail investor transactions within the United States in accordance with Regulation D of the Act (as defined below), as set forth herein in connection with the Company's proposed private placement (the "**Offering**") of Series S Preferred Stock (the "**Securities**") of the Company.

Upon acceptance (indicated by your signature below), this letter agreement (the "**Agreement**") will confirm the terms of the engagement between the Placement Agent and the Company on the terms and conditions set forth herein.

1. **Appointment**. Subject to the terms and conditions of this Agreement, the Company hereby retains the Placement Agent, and the Placement Agent hereby agrees to act, as the Company's exclusive Placement Agent of the Securities within the United States in accordance with Regulation D of the Act, in connection with the Offering to online retail investors (which, for the sake of clarify, does not include any entity, corporate or institutional investors), including but not limited to investor leads generated through online sources such as the Company website or M-Vest LLC. As Placement Agent for the Offering, the Placement Agent will advise and assist the Company in identifying one or more investors that are "accredited" within the meaning of the U.S. federal securities laws ("**Investors**") to participate in the Offering, which process may include general solicitation and will include the verification of Investors' "accredited" status pursuant to Rule 506(c) of Regulation D. The Company acknowledges and agrees that the Placement Agent is only required to use its "commercially reasonable efforts" in connection with its activities hereunder and that this Agreement does not constitute a legal or binding commitment by the Placement Agent to purchase the Securities or introduce the Company to Investors, nor does this Agreement constitute a representation or warranty on the part of the Placement Agent that any Offering will be consummated. The Company retains the right to determine all of the terms and conditions of the Offering and to accept or reject any proposals submitted to it by the Placement Agent in its sole and absolute discretion.

2. Information.

(a) The Company recognizes that, in completing its engagement hereunder, the Placement Agent will be using and relying on both publicly available information and on data, material and other information (including non-public information) furnished to Placement Agent by the Company or its Representatives. The Company will use commercially reasonable effort to cooperate with the Placement Agent and furnish, and cause to be furnished, to the Placement Agent, any and all information and data concerning the Company, its business, financial condition and plans for the Offering that the Placement Agent deems appropriate (including, without limitation, the Company's strategic, business, growth, acquisition and/or merger plans and plans for raising capital or additional financing) that is reasonably requested by the Placement Agent and reasonably available to the Company (the "**Information**"), including a Private Placement Memorandum to be used in connection with the Offering, if deemed appropriate by the Placement Agent and the Company (collectively, the "**Private Placement Materials**"). Any Information and Private Placement Materials forwarded to prospective Investors will be in form acceptable to the Company and its counsel and Placement Agent and its counsel. It is understood that, subject to Placement Agent's legal review, the parties do not anticipate the need for additional material Private Placement Materials beyond the current versions of such documents as prepared for the Offering. The Company represents and warrants that all Information furnished by the Company or its Representatives and Private Placement Materials, including, but not limited to, the Company's financial statements, will be complete and correct in all material respects and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading.

(b) It is further agreed that the Placement Agent will conduct a due diligence investigation of the Company and the Company will cooperate with such investigation as a condition of the Placement Agent's participation in the Offering. The Company recognizes and confirms that the Placement Agent: (i) will use and rely primarily on the Information, the Private Placement Materials and information available from generally recognized public sources in performing the services contemplated by this letter without having independently verified the same; (ii) is authorized as the Placement Agent to transmit to any prospective investors a copy or copies of the Private Placement Materials, forms of subscription documents and any other legal documentation supplied to the Placement Agent for transmission to any prospective investors by or on behalf of the Company or by any of the Company's officers, representatives or agents, in connection with the performance of the Placement Agent's services hereunder or any transaction contemplated hereby; (iii) does not assume responsibility for the accuracy or completeness of the Information or the Private Placement Materials and such other information, if any provided to the Investors; (iv) will not make an appraisal of any assets of the Company or the Company generally; and (v) retains the right to continue to perform due diligence of the Company, its business and its officers and directors during the course of the engagement.

(c) Until the date that is five (5) years from the date hereof, the Placement Agent will keep all information obtained from the Company confidential except: (i) Information which is otherwise publicly available, or previously known to or obtained by, the Placement Agent independently of the Company and without breach of any of the Placement Agent's agreements with the Company; (ii) the Placement Agent may disclose such information to its officers, directors, employees, agents and representatives, and to its other advisors and financial sources on a need to know basis only and will ensure that all such persons will keep such information strictly confidential. No such obligation of confidentiality shall apply to information that: (i) is in the public domain as of the date hereof or hereafter enters the public domain without a breach by the Placement Agent, (ii) was known or became known by the Placement Agent prior to the Company's disclosure thereof to the Placement Agent, (iii) becomes known to the Placement Agent from a source other than the Company, and other than by the breach of an obligation of confidentiality owed to the Company, (iv) is disclosed by the Company to a third party without restrictions on its disclosure, (v) is independently developed by the Placement Agent or (vi) is required to be disclosed by the Placement Agent or its officers, directors, employees, agents, attorneys and to its other advisors and financial sources, pursuant to any order of a court of competent jurisdiction or other governmental body or as may otherwise be required by law.

(d) The Company recognizes that in order for the Placement Agent to perform properly its obligations in a professional manner, the Company to the extent practicable will keep the Placement Agent informed of and permit the Placement Agent to participate in meetings and discussions between the Company and any third party relating to the Offering of Securities covered by the terms of the Placement Agent's engagement. If at any time during the course of the Placement Agent's engagement, the Company becomes aware of any material change in any of the information previously furnished to the Placement Agent, it will promptly advise the Placement Agent of the change.

(e) The Offering shall be conditioned upon, among other things, the following:

(i) Satisfactory completion by the Placement Agent of its due diligence investigation and analysis of: (a) the Company's arrangements with its officers, directors, employees, affiliates, customers and suppliers, (b) the audited historical financial statements of the Company, and (c) the Company's projected financial results for the fiscal years ending December 31, 2018 through 2020;

(ii) The Company continuing to retain Ernst & Young as its accountants (or such other accountants acceptable to the Placement Agent), which will perform the audit of the financial statements and the financial exhibits, if any, to be included in the Private Placement Materials, and will continue to engage accountants of comparable quality (as may be determined by the Company's Board of Directors or audit committee) for a period of at least three (3) years after the initial Closing (as defined below);

(iii) The Company retaining a transfer agent for the Company's common equity reasonably acceptable to the Placement Agent and continuing to retain a competent transfer agent for a period of three (3) years after the initial Closing; and

(iv) Upon the execution of the engagement letter, the Company at its own expense will conduct background checks, by a background search firm acceptable to the Placement Agent, for the Company's senior management.

3. **Compensation.** As compensation for services rendered and to be rendered hereunder by Placement Agent, the Company agrees to provide the Placement Agent with the following:

The Company agrees to pay the Placement Agent a cash fee payable upon each Closing (as defined below) occurring during the term of this Agreement equal to six and one-half percent (6.5%) of the gross proceeds actually received by the Company at each Closing (the "**Placement Fee**"). A "**Closing**" means closing of the sale of Securities and the receipt of proceeds by the Company from the sale of such Securities to a Maxim Investor (as defined below). A "**Maxim Investor**" is a retail investor (which, for the sake of clarify, does not include any entity, corporate or institutional investors) that consummates an online transaction through the M-Vest online platform managed by Maxim inclusive of any and all traffic driven by the Company to said platform. Additionally, at the discretion of Maxim, an offline non-retail investor may be submitted by Maxim to the Company for pre-approval to be considered a Maxim Investor.

4. **Term of Engagement**.

(a) This Agreement will remain in effect for twelve (12) months, after which either party shall have the right to terminate it on thirty (30) days prior written notice to the other. The date of termination of this Agreement is referred to herein from time to time as the "**Termination Date**." The period of time during which this Agreement remains in effect is referred to herein from time to time as the "**Term**." In the event, however in the course of the Placement Agent's performance of due diligence it deems it necessary to terminate the engagement, the Placement Agent may do so at any time upon immediate written notice.

(b) Notwithstanding anything herein to the contrary, subject to the twelve months limitation described in Section 4(a) above, the obligation to pay the compensation described in Section 3, this Section 4, Sections 6 and 8-17 and all of Exhibit A attached, hereto (the terms of which are incorporated by reference hereto), will survive any termination or expiration of this Agreement. The termination of this Agreement shall not affect the Company's obligation to pay fees to the extent provided for in Section 3 herein. All such fees due shall be paid to the Placement Agent on or before the Termination Date (in the event such fees and reimbursements are earned or owed as of the Termination Date) or upon the Closing of the Offering or any applicable portion thereof (in the event such fees are due pursuant to the terms of Section 3 hereof).

5. **Certain Placement Procedures**. The Company and the Placement Agent each represents to the other that it has not taken, and the Company and the Placement Agent each agrees with the other that it will not take any action, directly or indirectly, so as to cause the Offering to fail to be entitled to rely upon the exemption from registration afforded by Section 4(2) of the Securities Act of 1933, as amended (the "**Act**"). In effecting the Offering, the Company and the Placement Agent each agrees to comply in all material respects with applicable provisions of the Act and any regulations thereunder and any applicable laws, rules, regulations and requirements (including, without limitation, all U.S. state law and all national, provincial, city or other legal requirements). The Company agrees and acknowledges that the Offering shall be conducted in compliance with Rule 506(c), which among other things permits the Company and Placement Agent to engage in general solicitation so long as all investors in the Offering are "accredited investors" and the Placement Agent has taken reasonable steps to verify that all such investors are accredited investors." Those steps may include but are not limited to reviewing documentation, such as W-2s, tax returns, bank and brokerage statements, etc. The Company agrees that any representations and warranties made by it to any Investor in the Offering shall be deemed also to be made to the Placement Agent for its benefit.

6. **Indemnification**. The Company agrees to indemnify Placement Agent in accordance with the indemnification and other provisions attached to the Agreement as Exhibit A (the "**Indemnification Provisions**"), which provisions are incorporated herein by reference and shall survive the termination or expiration of the Agreement.

7. **Other Activities**. The Company acknowledges that the Placement Agent has been, and may in the future be, engaged to provide services as an underwriter, placement agent, finder, advisor and investment banker to other companies in the industry in which the Company is involved. Subject to the confidentiality provisions of the Placement Agent contained in Section 2 hereof, the Company acknowledges and agrees that nothing contained in this Agreement shall limit or restrict the right of the Placement Agent or of any member, manager, officer, employee, agent or representative of the Placement Agent, to be a member, manager, partner, officer, director, employee, agent or representative of, investor in, or to engage in, any other business, whether or not of a similar nature to the Company's business, nor to limit or restrict the right of the Placement Agent to render services of any kind to any other corporation, firm, individual or association; provided that the Placement Agent and any of its member, manager, officer, employee, agent or representative shall not use the Information to the detriment of the Company.

8. **Intentionally Blank**.

9. **Governing Law; Jurisdiction; Waiver of Jury Trial**. This Agreement will be governed as to validity, interpretation, construction, effect and in all other respects by the internal law of the State of New York. The Company and the Placement Agent each (i) agree that any legal suit, action or proceeding arising out of or relating to this Agreement shall be instituted exclusively in the New York State Supreme Court, County of New York, or in the United States District Court for the Southern District of New York, (ii) waives any objection to the venue of any such suit, action or proceeding, and the right to assert that such forum is an inconvenient forum, and (iii) irrevocably consents to the jurisdiction of the New York State Supreme Court, County of New York, and the United States District Court for the Southern District of New York in any such suit, action or proceeding. Each of the Company and the Placement Agent further agrees to accept and acknowledge service of any and all process that may be served in any such suit, action or proceeding in the New York State Supreme Court, County of New York, or in the United States District Court for the Southern District of New York and agree that service of process upon it sent by certified mail or private carrier (Federal Express, UPS or equivalent) to its address shall be deemed in every respect effective service of process in any such suit, action or proceeding. The parties hereby expressly waive all rights to trial by jury in any suit, action or proceeding arising under this Agreement.

10. **Securities and Other Law Compliance**. The Company, at its own expense, will use its best efforts to obtain any registration, qualification or approval required to sell any Securities under the laws (including U.S. state "blue sky" laws) of any applicable jurisdictions.

11. **Representations and Warranties**. The Company and the Placement Agent each respectively represent and warrant that: (a) it has full right, power and authority to enter into this Agreement and to perform all of its obligations hereunder; (b) this Agreement has been duly authorized and executed and constitutes a legal, valid and binding agreement of such party enforceable in accordance with its terms; and (c) the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby does not conflict with or result in a breach of (i) such party's certificate of incorporation or by-laws or (ii) any agreement to which such party is a party or by which any of its property or assets is bound.

12. **Parties; Assignment; Independent Contractor; No Tax Advice**. This Agreement has been and is made solely for the benefit of the Placement Agent and the Company and each of the persons, agents, employees, officers, directors and controlling persons referred to in Exhibit A and their respective heirs, executors, personal representatives, successors and assigns, and nothing contained in this Agreement will confer any rights upon, nor will this Agreement be construed to create any rights in, any person who is not party to such Agreement, other than as set forth in this section. The rights and obligations of either party under this Agreement may not be assigned without the prior written consent of the other party hereto and any other purported assignment will be null and void. The Placement Agent has been retained under this Agreement as an independent contractor, and it is understood and agreed that this Agreement does not create a fiduciary relationship between the Placement Agent and the Company or their respective Boards of Directors. The Placement Agent shall not be considered to be the agent of the Company for any purpose whatsoever and the Placement Agent is not granted any right or authority to assume or create any obligation or liability, express or implied, on the Company's behalf, or to bind the Company in any manner whatsoever. The Company acknowledges that the Placement Agent does not provide accounting, tax or legal advice. The Company is authorized, however, subject to applicable law, to disclose any and all aspects of the Offering that are necessary to support any U.S. federal income tax benefits expected to be claimed with respect to such transaction, and all materials of any kind (including tax opinions and other tax analyses) related to those benefits.

13. **Corporate Services**. Company represents that it will consider using Maxim's Corporate Services Department with respect to the Company's stock option incentive program.

14. **Validity**. In case any term of this Agreement will be held invalid, illegal or unenforceable, in whole or in part, the validity of any of the other terms of this Agreement will not in any way be affected thereby.

15. **Counterparts**. This Agreement may be executed in counterparts and each of such counterparts will for all purposes be deemed to be an original, and such counterparts will together constitute one and the same instrument.

16. **Notices**. All notices will be in writing and will be effective when delivered in person, sent by certified mail or by private carrier (Federal Express, UPS or equivalent), or sent via facsimile and confirmed by letter, to the party to whom it is addressed at the following addresses or such other address as such party may advise the other in writing:

To the Company:

William Santana Li
Chairman and CEO
Knightscope, Inc.
1070 Terra Bella Avenue
Mountain View, CA 94043

To the Placement Agent

Maxim Group LLC
405 Lexington Avenue
New York, NY 10174
Attention: Clifford A. Teller and James Siegel, Esq.
Telephone: (212) 895-3500
Facsimile: (212) 895-3783 and (212) 895-3860

17. **Press Announcements**. The Company agrees that the Placement Agent shall, from and after any Closing, have the right to reference the Offering and the Placement Agent's role in connection therewith in the Placement Agent's marketing materials and on its website and to place advertisements in financial and other newspapers and journals, in each case at its own expense, subject to the reasonable approval of the Company prior to such release.

(Signature Page Follows)

We are delighted at the prospect of working with you and look forward to proceeding with the Offering. If you are in agreement with the foregoing, please execute and return two copies of this engagement letter to the undersigned together. This Agreement may be executed in counterparts, electronic mail and by facsimile transmission.

Very truly yours,

Maxim Group LLC

/s/ Ritesh Veera
Name: Ritesh Veera
Title: Senior Managing Director, Investment Banking

/s/ Clifford A. Teller
Name: Clifford A. Teller
Title: Executive Managing Director of Investment Banking

Agreed to and accepted this 12th day of March, 2019.

Knightscope, Inc.

/s/ William Santana Li
Name: William Santana Li
Title: Chairman and CEO

Exhibit A

INDEMNIFICATION PROVISIONS

Capitalized terms used in this Exhibit shall have the meanings ascribed to such terms in the Agreement to which this Exhibit is attached.

In addition to and without limiting any other right or remedy available to the Placement Agent and the Indemnified Parties (as hereinafter defined), the Company agrees to indemnify and hold harmless Placement Agent and each of the other Indemnified Parties from and against any and all losses, claims, damages, obligations, penalties, judgments, awards, liabilities, costs, expenses and disbursements, and any and all actions, suits, proceedings and investigations in respect thereof and any and all legal and other costs, expenses and disbursements in giving testimony or furnishing documents in response to a subpoena or otherwise (including, without limitation, the costs, expenses and disbursements, as and when incurred, of investigating, preparing, pursing or defending any such action, suit, proceeding or investigation (whether or not in connection with litigation in which any Indemnified Party is a party)) (collectively, "Losses"), directly or indirectly, caused by, relating to, based upon, arising out of, or in connection with, Placement Agent's acting for the Company, including, without limitation, any act or omission by Placement Agent in connection with its acceptance of or the performance or non-performance of its obligations under the Agreement between the Company and Placement Agent to which these indemnification provisions are attached and form a part, any breach by the Company of any representation, warranty, covenant or agreement contained in the Agreement (or in any instrument, document or agreement relating thereto, including any agency agreement), or the enforcement by Placement Agent of its rights under the Agreement or these indemnification provisions, except to the extent that any such Losses are found in a final judgment by a court of competent jurisdiction (not subject to further appeal) to have resulted primarily and directly from the gross negligence or willful misconduct of the Indemnified Party seeking indemnification hereunder.

The Company also agrees that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Company for or in connection with the engagement of Placement Agent by the Company or for any other reason, except to the extent that any such liability is found in a final judgment by a court of competent jurisdiction (not subject to further appeal) to have resulted primarily and directly from such Indemnified Party's gross negligence or willful misconduct.

These Indemnification Provisions shall extend to the following persons (collectively, the "**Indemnified Parties**"): Placement Agent, its present and former affiliated entities, managers, members, officers, employees, legal counsel, agents and controlling persons (within the meaning of the federal securities laws), and the officers, directors, partners, stockholders, members, managers, employees, legal counsel, agents and controlling persons of any of them. These indemnification provisions shall be in addition to any liability, which the Company may otherwise have to any Indemnified Party.

If any action, suit, proceeding or investigation is commenced, as to which an Indemnified Party proposes to demand indemnification, it shall notify the Company with reasonable promptness; provided, however, that any failure by an Indemnified Party to notify the Company shall not relieve the Company from its obligations hereunder. An Indemnified Party shall have the right to retain counsel of its own choice to represent it, and the fees, expenses and disbursements of such counsel shall be borne by the Company. Any such counsel shall, to the extent consistent with its professional responsibilities, cooperate with the Company and any counsel designated by the Company. The Company shall be liable for any settlement of any claim against any Indemnified Party made with the Company's written consent. The Company shall not, without the prior written consent of Placement Agent, settle or compromise any claim, or permit a default or consent to the entry of any judgment in respect thereof, unless such settlement, compromise or consent (i) includes, as an unconditional term thereof, the giving by the claimant to all of the Indemnified Parties of an unconditional release from all liability in respect of such claim, and (ii) does not contain any factual or legal admission by or with respect to an Indemnified Party or an adverse statement with respect to the character, professionalism, expertise or reputation of any Indemnified Party or any action or inaction of any Indemnified Party.

In order to provide for just and equitable contribution, if a claim for indemnification pursuant to these indemnification provisions is made but it is found in a final judgment by a court of competent jurisdiction (not subject to further appeal) that such indemnification may not be enforced in such case, even though the express provisions hereof provide for indemnification in such case, then the Company shall contribute to the Losses to which any Indemnified Party may be subject (i) in accordance with the relative benefits received by the Company and its stockholders, subsidiaries and affiliates, on the one hand, and the Indemnified Party, on the other hand, and (ii) if (and only if) the allocation provided in clause (i) of this sentence is not permitted by applicable law, in such proportion as to reflect not only the relative benefits, but also the relative fault of the Company, on the one hand, and the Indemnified Party, on the other hand, in connection with the statements, acts or omissions which resulted in such Losses as well as any relevant equitable considerations. No person found liable for a fraudulent misrepresentation shall be entitled to contribution from any person who is not also found liable for fraudulent misrepresentation. The relative benefits received (or anticipated to be received) by the Company and it stockholders, subsidiaries and affiliates shall be deemed to be equal to the aggregate consideration payable or receivable by such parties in connection with the transaction or transactions to which the Agreement relates relative to the amount of fees actually received by Placement Agent in connection with such transaction or transactions. Notwithstanding the foregoing, in no event shall the amount contributed by all Indemnified Parties exceed the amount of fees previously received by Placement Agent pursuant to the Agreement.

Neither termination nor completion of the Agreement shall affect these Indemnification Provisions which shall remain operative and in full force and effect. The Indemnification Provisions shall be binding upon the Company and its successors and assigns and shall inure to the benefit of the Indemnified Parties and their respective successors, assigns, heirs and personal representatives.

Exhibit 1.2

AMENDMENT TO THE LETTER AGREEMENT

This AMENDMENT, dated April 4, 2019, (the "Amendment") is an amendment to the Letter Agreement (the "Agreement"), dated as of March 12, 2019, by and between Knightscope, Inc. (the "Company") and Maxim Group LLC (together with its owned or controlled subsidiaries, the "Placement Agent").

WHEREAS, the Company and the Placement Agent shall collectively be referred to as the "Parties";

WHEREAS, the Parties wish to provide for certain amendments to the terms of the Agreement;

NOW, THEREFORE, the Parties hereby amend the Agreement, and agree as follows:

Section 2. Information

2. Amendment to Information. Section 2(e) of the Agreement shall be deleted and restated as follows:

(e) The Offering shall be conditioned upon, among other things, the following:

(i) Satisfactory completion by the Placement Agent of its due diligence investigation and analysis of: (a) the Company's arrangements with its officers, directors, employees, affiliates, customers and suppliers, (b) the audited financial statements of the Company, and (c) the Company's projected financial results for the fiscal years ending December 31, 2018 through 2020;

(ii) The Company continuing to retain Ernst & Young as its accountants (or such other accountants acceptable to the Placement Agent), which will perform the audit of the financial statements and the financial exhibits, if any, to be included in the Private Placement Materials, and will continue to engage accountants of comparable quality (as may be determined by the Company's Board of Directors or audit committee) for a period of at least three (3) years after the initial Closing;

(iii) The Company retaining a transfer agent for the Company's common equity reasonably acceptable to the Placement Agent and continuing to retain a competent transfer agent for a period of three (3) years after the initial Closing;

(iv) Upon the execution of the engagement letter, the Company at its own expense will conduct background checks, by a background search firm acceptable to the Placement Agent, for the Company's senior management;

(v) The Placement Agent shall have completed its due diligence investigation of the Company to the satisfaction of the Placement Agent and its counsel;

(vi) The Placement Agent shall have received as of each Closing the corporate opinion of legal counsel to the Company dated as of each Closing, addressed to the Placement Agent in form and substance reasonably satisfactory to the Placement Agent and agreed to by the Company and its counsel;

(vii) On each Closing Date, Placement Agent shall have received a certificate of the chief executive officer of the Company, dated, as applicable, as of the date of such Closing, to the effect that, as of the date of this Agreement and as of the applicable date, the representations and warranties of the Company contained herein and in the share purchase agreement by and among the Company and the purchasers were and are accurate in all material respects, except for such changes as are contemplated by this Agreement and except as to representations and warranties that were expressly limited to a state of facts existing at a time prior to the applicable Closing, and that, as of the applicable date, the obligations to be performed by the Company hereunder on or prior thereto have been fully performed in all material respects; and

(viii) On each Closing, Placement Agent shall have received a certificate of the Secretary of the Company, dated, as applicable, as of the date of such Closing, certifying to the organizational documents, good standing in the state of incorporation of the Company and each subsidiary and board resolutions relating to the offering of shares from the Company.

Section 11. Representations and Warranties

11. Amendment to Representations and Warranties. Section 11 of the Agreement shall be deleted and restated as follows:

11. **Representations and Warranties**. The Company and the Placement Agent each respectively represent and warrant that (a) has full right, power and authority to enter into this Agreement and to perform all of its obligations hereunder; (b) this Agreement has been duly authorized and executed and constitutes a legal, valid and binding agreement of such party enforceable in accordance with its terms; (c) the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby does not conflict with or result in a breach of (i) such party's certificate of incorporation or by-laws or (ii) any other agreement to which such party is a party of by which any of its property or assets is bound and (d) the Placement Agent shall be fully authorized to rely upon the Company's representations made in connection with the share purchase agreement by and among the Company and the purchasers.

Section 17. Press Announcements

11. Amendment to Press Announcements. Section 17 of the Agreement shall be deleted and restated as follows:

17. **Press Announcements**. (a) The Company agrees that the Placement Agent shall have the right to reference the Offering and the Placement Agent's role in connection therewith in the Placement Agent's non-public marketing materials and after at least $25 million worth of Series S Preferred Stock has been sold pursuant to the Offering, the Placement Agent shall have the right to reference the Offering on its website and to place advertisements in financial and other newspapers and journals, in case at its own expense, and in each case subject to the reasonable approval of the Company to such release and (b) the Company agrees that, while the Offering is ongoing, unless approved by the Placement Agent in advance, the Company will not make any public announcement or issue any press release concerning the Offering.

(Signature Pages Follow)

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to the Letter Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

Very truly yours,

MAXIM GROUP LLC

By: /s/ Clifford A. Teller
Name: Clifford A. Teller
Title: Executive Managing Director, IB

Address for notice:
405 Lexington Avenue
New York, NY 10174
Attention: James Siegel, General Counsel
Email: jsiegel@maximgrp.com

Accepted and Agreed to as of
the date first written above:

KNIGHTSCOPE, INC.

By: /s/ William Santana Li
Name: William Santana le
Title: Chairman and CEO

Address for notice:
Knightscope, Inc.
1070 Terra Bella Avenue
Mountain View, CA 94043
Attention: CEO
Email: wsl@knightscope.com

Exhibit 1.3

SECOND AMENDMENT TO THE LETTER AGREEMENT

This SECOND AMENDMENT TO THE LETTER AGREEMENT is dated as of May 20, 2019 (the "Amendment") is an amendment to the Letter Agreement dated as of March 12, 2019, as amended by the first amendment to the Agreement on April 4, 2019 (the letter together with all amendments, the "Agreement"), by and between Knightscope, Inc. (the "Company") and Maxim Group LLC (together with its owned or controlled subsidiaries, "Maxim" or the "Placement Agent").

WHEREAS, the Parties wish to provide for certain amendments to the terms of the Agreement in order to provide for Maxim to act as the Company's placement agent in connection with the offering of the Company's Series S Preferred Stock pursuant to Regulation A under the Securities Act of 1933, as amended (the "Regulation A Offering"), in addition to the pre-existing offering of the Company's Series S Preferred Stock conducted in accordance with Rule 506(c) of Regulation D of the Securities Act of 1933, as amended (the "Regulation D Offering" and together with the "Regulation A Offering," the "Regulation A and Regulation D Offerings").

NOW, THEREFORE, the parties hereby amend the Agreement, and agree as follows:

1. Regulation A Offering. Maxim hereby agrees to act as the Company's placement agent in connection with the Regulation A Offering pursuant to the terms of the Agreement; and all references to the Regulation D Offering are hereby amended to refer to the Regulation A and the Regulation D Offerings, such that all terms that apply to the Regulation D Offering also apply to the Regulation A Offering.

2. No Other Amendments. Except as expressly amended by this Amendment, the Agreement remains in full force and effect.

3. Governing Law. All rights and obligations hereunder will be governed by the laws of the State of New York, without regard to the conflicts of law provisions of such jurisdiction.

4. Modification. Any provision of this Amendment may be amended, waived or modified only upon the written consent of the Company and the Placement Agent.

5. Counterparts. This Amendment may be executed in counterparts, each of which shall be declared an original, but all of which together shall constitute one and the same instrument.

(Signature Pages Follow)

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized signatories as of the date first indicated above.

Very truly yours,

MAXIM GROUP LLC

By: /s/ Clifford A. Teller
Name: Clifford A. Teller
Title: Executive Managing Director, IB

Address for notice:
405 Lexington Avenue
New York, NY 10174
Attention: James Siegel, General Counsel
Email: jsiegel@maximgrp.com

Accepted and Agreed to as of
the date first written above:

KNIGHTSCOPE, INC.

By: /s/ William Santana Li
Name: William Santana Li
Title: CEO

Address for notice:
Knightscope, Inc.
1070 Terra Bella Avenue
Mountain View, CA 94043
Attention: William Santana Li
Email: wsl@knightscope.com

Exhibit 1.4

THIRD AMENDMENT TO THE LETTER AGREEMENT

This THIRD AMENDMENT TO THE LETTER AGREEMENT is dated as of June 19, 2019 (the "Amendment") is an amendment to the Letter Agreement dated as of March 12, 2019, as amended by the first amendment to the Agreement on April 4, 2019 and the second amendment to the Agreement on May 20, 2019 (the letter together with all amendments, the "Agreement"), by and between Knightscope, Inc. (the "Company") and Maxim Group LLC (together with its owned or controlled subsidiaries, "Maxim" or the "Placement Agent"), collectively the "Parties".

WHEREAS, the Parties wish to provide for certain amendments to the terms of the Agreement in order to provide for Maxim's right to participate in the Company's initial public offering and the payment of legal fees to Ellenoff Grossman & Schole LLP, counsel to Maxim ("EGS"), each in connection with the offering of the Company's Series S Preferred Stock pursuant to Regulation A under the Securities Act of 1933, as amended (the "Regulation A Offering"), in addition to the pre-existing offering of the Company's Series S Preferred Stock conducted in accordance with Rule 506(c) of Regulation D of the Securities Act of 1933, as amended (the "Regulation D Offering" and together with the "Regulation A Offering," the "Regulation A and Regulation D Offerings") as well as provide for the Company's right to add another selling group participant, subsequent to receipt of Maxim's written consent, which shall not be unreasonably withheld.

NOW, THEREFORE, the parties hereby amend the Agreement, and agree as follows:

1. Legal Fees. The Company hereby agrees to pay EGS (i) $30,000 upon Maxim raising an aggregate of $3,000,000 in the Regulation A and Regulation D Offerings, and (ii) an additional $30,000 upon Maxim raising an aggregate of $6,000,000 in the Regulation A and Regulation D Offerings.

2. Participation in Form S-1 Transaction. Upon Maxim raising an aggregate of $10,000,000 in the Regulation A and Regulation D Offerings, Maxim shall have a right to participate as an underwriter with at least 25% of the economics in the Company's initial public offering pursuant to a Form S-1 filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended.

3. Selling Group. Maxim hereby agrees that the Company shall be entitled to request the addition of an additional selling group participant(s) in connection with the Offering, and upon Maxim's written consent (which shall not be unreasonably withheld), such selling group participant shall be entitled to contribute to Knightscope's Regulation A and Regulation D Offerings.

4. No Other Amendments. Except as expressly amended by this Amendment, the Agreement remains in full force and effect.

5. Governing Law. All rights and obligations hereunder will be governed by the laws of the State of New York, without regard to the conflicts of law provisions of such jurisdiction.

6. Modification. Any provision of this Amendment may be amended, waived or modified only upon the written consent of the Company and the Placement Agent.

7. Counterparts. This Amendment may be executed in counterparts, each of which shall be declared an original, but all of which together shall constitute one and the same instrument.

(Signature Pages Follow)

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized signatories as of the date first indicated above.

Very truly yours,

MAXIM GROUP LLC

By: /s/ Clifford A. Teller
Name: Clifford A. Teller
Title: Executive Managing Director, IB

Address for notice:
405 Lexington Avenue
New York, NY 10174
Attention: James Siegel, General Counsel
Email: jsiegel@maximgrp.com

Accepted and Agreed to as of
the date first written above:

KNIGHTSCOPE, INC.

By: /s/ William Santana Li
Name: William Santana Li
Title: CEO

Address for notice:
Knightscope, Inc.
1070 Terra Bella Avenue
Mountain View, CA 94043
Attention: William Santana Li
Email: wsl@knightscope.com

Exhibit 1.5

FOURTH AMENDMENT TO THE LETTER AGREEMENT

This FOURTH AMENDMENT TO THE LETTER AGREEMENT is dated as of June 24, 2019 (the "Amendment") is an amendment to the Letter Agreement dated as of March 12, 2019, as amended by the first amendment to the Agreement on April 4, 2019, the second amendment to the Agreement on May 20, 2019, and the third amendment to the Agreement on June 19, 2019 (the letter together with all amendments, the "Agreement"), by and between Knightscope, Inc. (the "Company") and Maxim Group LLC (together with its owned or controlled subsidiaries, "Maxim" or the "Placement Agent"), collectively the "Parties".

WHEREAS, the Parties wish to provide for certain amendments to the terms of the Agreement in order to provide that the indemnification obligations of the Company be extended to the "selling group participant(s)" referred to in the Agreement.

NOW, THEREFORE, the parties hereby amend the Agreement, and agree as follows:

1. Indemnification. The Company agrees that the indemnification provisions set forth in Section 6 and Exhibit A of the Agreement shall also be apply to any selling group participant retained in connection with the Offering, including but not limited to StartEngine.

2. No Other Amendments. Except as expressly amended by this Amendment, the Agreement remains in full force and effect.

3. Governing Law. All rights and obligations hereunder will be governed by the laws of the State of New York, without regard to the conflicts of law provisions of such jurisdiction.

4. Modification. Any provision of this Amendment may be amended, waived or modified only upon the written consent of the Company and the Placement Agent.

5. Counterparts. This Amendment may be executed in counterparts, each of which shall be declared an original, but all of which together shall constitute one and the same instrument.

(Signature Pages Follow)

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized signatories as of the date first indicated above.

Very truly yours,

MAXIM GROUP LLC

By: /s/ Clifford A. Teller
Name: Clifford A. Teller
Title: Executive Managing Director, IB

Address for notice:
405 Lexington Avenue
New York, NY 10174
Attention: James Siegel, General Counsel
Email: jsiegel@maximgrp.com

Accepted and Agreed to as of
the date first written above:

KNIGHTSCOPE, INC.

By: /s/ William Santana Li
Name: William Santana Li
Title: CEO

Address for notice:
Knightscope, Inc.
1070 Terra Bella Avenue
Mountain View, CA 94043
Attention: William Santana Li
Email: wsl@knightscope.com

Exhibit 1.6

FIFTH AMENDMENT TO THE LETTER AGREEMENT

This FIFTH AMENDMENT TO THE LETTER AGREEMENT is dated as of July 5, 2019 (the "Amendment") is an amendment to the Letter Agreement dated as of March 12, 2019, as amended by the first amendment to the Agreement on April 4, 2019, the second amendment to the Agreement on May 20, 2019, the third amendment to the Agreement on June 19, 2019, and the fourth amendment to the Agreement dated June 24, 2019 (the letter together with all amendments, the "Agreement"), by and between Knightscope, Inc. (the "Company") and Maxim Group LLC (together with its owned or controlled subsidiaries, "Maxim" or the "Placement Agent"), collectively the "Parties".

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and Maxim agree as follows:

Section 2 of the Third Amendment to the Agreement is hereby deleted and replaced in its entirety with the following Section 2:

"2. Participation in Form S-1 Transaction. Upon Maxim raising an aggregate of $10,000,000 in the Regulation A and Regulation D Offerings, Maxim shall have a right to participate as an underwriter with at least 25% of the economics in the Company's initial public offering pursuant to a Form S-1 filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended; such right of participation shall termination on the third anniversary of the commencement of sales of the Offering."

Except as specifically amended hereby, the Agreement and all amendments thereto shall remain in full force and effect and all other terms of the Agreement and all other amendments thereto remain unchanged. To the extent any provision of the Agreement is inconsistent with this letter agreement, this letter agreement shall control.

(Signature Page Follows)

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to the Letter Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

Very truly yours,

MAXIM GROUP LLC

By: /s/ Clifford A. Teller
Name: Clifford A. Teller
Title: Executive Managing Director, IB

Address for notice:
405 Lexington Avenue
New York, NY 10174
Attention: James Siegel, General Counsel
Email: jsiegel@maximgrp.com

Accepted and Agreed to as of
the date first written above:

KNIGHTSCOPE, INC.

By: /s/ William Santana Li
Name: William Santana Li
Title: CEO

Address for notice:
Knightscope, Inc.
1070 Terra Bella Avenue
Mountain View, CA 94043
Attention: William Santana Li
Email: wsl@knightscope.com

Exhibit 1.7

SERVICES AGREEMENT

This Services Agreement ("Services Agreement" or "Agreement") is entered into as of the date noted below (the "Effective Date") between StartEngine Crowdfunding, Inc., a Delaware corporation ("Company"), and Knightscope, Inc. a Delaware corporation ("Customer" or "you").

1. Services

Company agrees to make available to Customer the ability to present information with respect to its securities offering (the "Offering") to Users, and to permit Users to create and manage online accounts, view information regarding the Customer, indicate interest in the Offering, and to subscribe to the Offering by signing a subscription agreement or similar instrument and transmitting payment instructions (together, the "Services"). A "User" means a natural person, corporation or other entity that has established an account on the Company's website.

2. Fees and expenses

a) Generally
In exchange for the Services, you shall pay the Company the then applicable fees and expenses set out below. The Company reserves the right to change the applicable charges and to institute new charges and fees at the end of the Initial Term (as defined below) or then current renewal term, upon 30 days prior notice to you. If you believe that the Company has billed you incorrectly, you must contact Company no later than 60 days after the closing date on the first billing statement in which the error or problem appeared, in order to receive an adjustment or credit. Inquiries should be directed to contact@startengine.com.

b) Monthly Fees and Billing
The Company will bill you monthly for the Services. You authorize the Company to instruct Prime Trust or any escrow agent used by Company to deduct such fees, debts and any other amounts liabilities incurred under this Service Agreement, prior to releasing any amounts due to you or to any other person (including another escrow agent) from escrow. Amounts which remain unpaid for 30 days are subject to a finance charge of 1.5% per month on any outstanding balance, or the maximum permitted by law, whichever is lower, plus all expenses of collection and may result in immediate termination of Service. You shall be responsible for all taxes associated with Services other than U.S. taxes based on the Company's net income.

c) Transaction Fees
Company's transaction fees depend on the method of payment (e.g. ACH-US or WIRE-US).

ACH transaction: $1
Wire: $15

d) AML Fees
AML fees are charged per User per initial transaction.

AML: $2
AML UK: $5

e) Reimbursable expenses
You shall reimburse the Company for the following expenses:

(i) All Transaction and AML Fees, as listed above, charged to the Company or its affiliates by its third-party transaction processor.
(ii) Return fees as set out in Section 4 (Returns, Reversals, Disputes and Reserves) below.

3. Customer Representations and Warranties

Customer represents and warrants to the Company that then executed and delivered by Customer, this Service Agreement will constitute the legal, valid, and binding obligation of Customer, enforceable in accordance with its terms.

4. Returns and Reversals

a) Returns and Reversals
User transactions debited from bank accounts via ACH are subject to returns (e.g., non-sufficient funds) and reversals from chargebacks (e.g., unauthorized activity) per the Electronic Fund Transfer Act (15 U.S.C. 1693 *et seq.* as may be amended), Regulation E, and NACHA guidelines (collectively, such returns and reversals are "Reversals"). The Company will work to protect Customer and the receiving Users from unwarranted Reversals; however, Customer acknowledges and agrees that:

i) Customer is liable for all User Activity and Reversals associated with User Activity;

ii) If Company's agent receives a Reversal, the Company may in its sole discretion charge Customer the full amount of the Reversal ("Reversed Payment") plus an additional $7 reversal fee ("Reversal Fee" and collectively the "Reversal Liability");

iii) The Company has sole discretion to determine who is at fault and liable for the Reversed Payment and Reversal Fee;

iv) Customer authorizes the Company to take any of the following actions (in any particular order): (i) collect the unpaid portion of the Reversal Liability from funds sent to your third party escrow account; (ii) debit your bank account in the amount of the unpaid portion of the Reversal Liability; (iv) engage in collection efforts to recover the unpaid portion of the Reversal Liability and/or (v) take legal action or any other action under this Service Agreement.

5. Term and Survival

a) Subject to earlier termination as provided below, this Service Agreement is for the total duration of the Company's Offering (the "Initial Term") unless either party requests termination at least 30 days prior to the end of the then-current term.

b) Additionally, either party may terminate this Service Agreement in the event:

i) The other party's material breach that remains not cured and continues for a period of (A) in the
case of a failure involving the payment of any undisputed amount due hereunder, 15 days and (B) in the case of any other failure, 30 days after the non performing party receives notice from the terminating party specifying such failure;

ii) Any statement, representation or warranty of the other party is untrue or misleading in any material respect or omits material information;

iii) The other party (A) voluntarily or involuntarily is subject to bankruptcy proceedings, (B) applies for or consents to the appointment of a receiver, trustee, custodian, sequestrator, or similar official, (C) makes a general assignment to creditors, (D) commences winding down or liquidation of its business affairs, (E) otherwise takes corporate action for the purpose of effecting any of the foregoing, or (F) ceases operating in the normal course of business;

iv) If any change to, enactment of, or change in interpretation or enforcement of any law occurs that would have a material adverse effect upon a party's ability to perform its obligations under this Service Agreement or a party's costs/revenues with respect to the services under this Service Agreement;

v) Upon direction to a party from any regulatory authority or National Automated Clearing House Association to cease or materially limit the exercise or performance of such party's rights or obligations under this Service Agreement;

vi) If there shall have occurred a material adverse change in the financial condition of the other party; or

vii) Upon a force majeure event that materially prevents or impedes a party from performing its obligations hereunder for a period of more than 10 business days.

StartEngine Crowdfunding, Inc.	**Knightscope, Inc.**
By: /s/ Authorized Signatory	By: /s/ William Santana Li
Date: 06 July 2019	

Exhibit 2.1

AMENDED AND RESTATED

CERTIFICATE OF INCORPORATION OF

KNIGHTSCOPE, INC.

Knightscope, Inc., a corporation organized and existing under the laws of the State of Delaware (the "***Corporation***"), certifies that:

1. The name of the Corporation is Knightscope, Inc. The Corporation's original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on April 4, 2013.

2. This Amended and Restated Certificate of Incorporation was duly adopted in accordance with Sections 242 and 245 of the General Corporation Law of the State of Delaware, and has been duly approved by the written consent of the stockholders of the Corporation in accordance with Section 228 of the General Corporation Law of the State of Delaware.

3. The text of the Certificate of Incorporation is amended and restated to read as set forth in EXHIBIT A attached hereto.

IN WITNESS WHEREOF, Knightscope, Inc. has caused this Amended and Restated Certificate of Incorporation to be signed by William Santana Li, a duly authorized officer of the Corporation, on May 17, 2019.

/s/ William Santana Li
William Santana Li
President

EXHIBIT A

ARTICLE I

The name of the Corporation is Knightscope, Inc.

ARTICLE II

The purpose of this corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

ARTICLE III

The address of the Company's registered office in the State of Delaware is 251 Little Falls Drive, Wilmington, County of New Castle, Delaware 19808. The name of the registered agent at such address is Corporation Service Company.

ARTICLE IV

The Corporation is authorized to issue three classes of stock which shall be designated, respectively, "***Class A Common Stock***," "***Class B Common Stock***" and "***Preferred Stock***." The total number of shares of stock that the corporation shall have authority to issue is 187,405,324 shares, consisting of 114,000,000 shares of Class A Common Stock, $0.001 par value per share, 30,000,000 shares of Class B Common Stock, $0.001 par value per share, and 43,405,324 shares of Preferred Stock, $0.001 par value per share. The first Series of Preferred Stock shall be designated "***Series A Preferred Stock***" and shall consist of 8,936,015 shares. The second Series of Preferred Stock shall be designated "***Series B Preferred Stock***" and shall consist of 4,707,501 shares. The third Series of Preferred Stock shall be designated "***Series m Preferred Stock***" and shall consist of 6,666,666 shares. The fourth Series of Preferred Stock shall be designated "***Series m-1 Preferred Stock***" and shall consist of 333,334 shares. The fifth Series of Preferred Stock shall be designated "***Series m-2 Preferred Stock***" and shall consist of 1,660,756 shares. The sixth Series of Preferred Stock shall be designated "***Series m-3 Preferred Stock***" and shall consist of 3,490,658 shares. The seventh Series of Preferred Stock shall be designated "***Series S Preferred Stock***" and shall consist of 13,108,333 shares. The eighth Series of Preferred Stock shall be designated "***Series m-4 Preferred Stock***" and shall consist of 4,502,061 shares. The Corporation will not authorize any series of preferred or other capital stock whose right to receive Distributions or distributions with respect to a Liquidation Event from the Corporation is senior in right to the Series m-4 Preferred Stock without the prior vote or consent of the holders of a majority of the outstanding shares of Series m-4 Preferred Stock.

ARTICLE V

The terms and provisions of the Common Stock and Preferred Stock are as follows:

1. **Definitions.** For purposes of this ARTICLE V, the following definitions shall apply:

(a) "***Change of Control***" means (i) the acquisition of the Corporation by another entity by means of any transaction or series of related transactions to which the Corporation is party (including, without limitation, any stock acquisition, reorganization, merger or consolidation but excluding any sale of stock for capital raising purposes) other than a transaction or series of related transactions in which the holders of the voting securities of the Corporation outstanding immediately prior to such transaction or series of related transactions retain, immediately after such transaction or series of related transactions, as a result of shares in the Corporation held by such holders prior to such transaction or series of related transactions, at least a majority of the total voting power represented by the outstanding voting securities of the Corporation or such other surviving or resulting entity (or if the Corporation or such other surviving or resulting entity is a wholly-owned subsidiary immediately following such acquisition, its parent); or (ii) a sale, lease or other disposition of all or substantially all of the assets of the Corporation and its subsidiaries taken as a whole by means of any transaction or series of related transactions, except where such sale, lease or other disposition is to a wholly-owned subsidiary of the Corporation. The treatment of any transaction or series of related transactions as a Change of Control may be waived by the consent or vote of a majority of the outstanding Preferred Stock (voting as a single class and on an as-converted basis); provided, however, that the treatment of any transaction or series of related transactions as a Change of Control for the Series m-4 Preferred Stock may only be waived by the consent or vote of a majority of the outstanding Series m-4 Preferred Stock (voting on an as-converted basis).

(b) "***Class B Common Stockholder***" means (i) the registered holder of a share of Class B Common Stock at the Effective Time, (ii) the initial registered holder of any shares of Class B Common Stock that are originally issued by the Corporation after the Effective Time pursuant to the exercise of, conversion of or settlement of Convertible Securities issued prior to the Effective Time and (iii) each natural person who Transferred shares of Class B Common Stock or Convertible Securities prior to the Effective Time to a Permitted Entity that, as of the Effective Time, complies with the applicable exception for such Permitted Entity in Section 5(b).

(c) "***Common Stock***" shall mean the Class A Common Stock and Class B Common Stock, collectively.

(d) "***Conversion Price***" shall mean $0.8932 per share for the Series A Preferred Stock, $2.0401 per share for the Series B Preferred Stock, $3.00 per share for the Series m Preferred Stock, $3.00 per share for the Series m-1 Preferred Stock, $3.00 per share for the Series m-2 Preferred Stock, $3.50 per share for the Series m-3 Preferred Stock, $8.00 per share for the Series S Preferred Stock, and $3.50 per share for the Series m-4 Preferred Stock (in each case subject to adjustment from time to time for Recapitalizations and as otherwise set forth elsewhere herein, if applicable).

(e) "***Convertible Securities***" shall mean any evidences of indebtedness, shares or other securities convertible into or exchangeable for Common Stock.

(f) "***Corporation***" shall mean Knightscope, Inc.

(g) "***Distribution***" shall mean either (i) the transfer of cash or other property without consideration whether by way of dividend or otherwise, other than dividends on Common Stock payable in Common Stock; or (ii) the purchase or redemption of shares of the Corporation by the Corporation or its subsidiaries for cash or property other than, in each case (A) repurchases of Common Stock issued to or held by employees, officers, directors or consultants of the Corporation or its subsidiaries upon termination of their employment or services pursuant to agreements providing for the right of said repurchase; (B) repurchases of Common Stock issued to or held by employees, officers, directors or consultants of the Corporation or its subsidiaries pursuant to rights of first refusal contained in agreements providing for such right; (C) repurchase of capital stock of the Corporation in connection with the settlement of disputes with any stockholder; and (D) any other repurchase or redemption of capital stock of the Corporation approved by the holders of the Common Stock and Preferred Stock of the Corporation voting as a separate class, provided, however, that any such other repurchase or redemption of Series m-4 Preferred Stock requires the consent or vote of a majority of the outstanding Series m-4 Preferred Stock (voting on an as-converted basis).

(h) "***Dividend Rate***" shall mean an annual rate of $0.0536 per share for the Series A Preferred Stock, $0.1224 per share for the Series B Preferred Stock, $0.18 per share for the Series m Preferred Stock, $0.18 per share for the Series m-1 Preferred Stock, $0.18 per share for the Series m-2 Preferred Stock, $0.21 per share for the Series m-3 Preferred Stock, $0.48 per share for the Series S Preferred Stock, and $0.42 per share for the Series m-4 Preferred Stock (in each case subject to adjustment from time to time for Recapitalizations and as otherwise set forth elsewhere herein, if applicable).

(i) "***Effective Time***" shall mean the date and the time at which this Amended and Restated Certificate of Incorporation is filed with the Secretary of State of Delaware.

(j) "***IPO***" shall mean a firm commitment underwritten initial public offering of the Company's Common Stock pursuant to an effective registration statement filed under the Securities Act of 1933, as amended.

(k) "***Liquidation Preference***" shall mean $0.8932 per share for the Series A Preferred Stock, $2.0401 per share for the Series B Preferred Stock, $3.00 per share for the Series m Preferred Stock, $3.00 per share for the Series m-1 Preferred Stock, $3.00 per share for the Series m-2 Preferred Stock, $3.50 per share for the Series m-3 Preferred Stock, $8.00 per share for the Series S Preferred Stock, and $7.00 per share for the Series m-4 Preferred Stock (in each case subject to adjustment from time to time for Recapitalizations as set forth elsewhere herein, if applicable).

(l) "***Liquidation Event***" shall mean (i) a Change of Control; or (ii) any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary.

(m) "***Options***" shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities.

(n) "***Ordinary Preferred Stock***" shall mean the Series m Preferred Stock, the Series m-1 Preferred Stock, the Series m-3 Preferred Stock, the Series m-4 Preferred Stock and the Series S Preferred Stock, collectively.

(o) "***Original Issue Price***" shall mean $0.8932 per share for the Series A Preferred Stock, $2.0401 for the Series B Preferred Stock and $3.00 for the Series m Preferred Stock, Series m-1 Preferred Stock and Series m-2 Preferred Stock, $3.50 for the Series m-3 Preferred Stock, $8.00 per share for the Series S Preferred Stock, and $3.50 per share for the Series m-4 Preferred Stock (subject to adjustment from time to time for Recapitalizations as set forth elsewhere herein).

(p) "***Permitted Entity***" shall mean with respect to any Class B Common Stockholder, any trust, account, plan, corporation, partnership, or limited liability company specified in Section 5(b) established by or for such Class B Common Stockholder, so long as such entity meets the requirements set forth in Section 5(b).

(q) "***Preferred Stock***" shall mean the Series A Preferred Stock, the Series B Preferred Stock, the Series m Preferred Stock, the Series m-1 Preferred Stock, the Series m-2 Preferred Stock, the Series m-3 Preferred Stock, the Series S Preferred Stock, and the Series m-4 Preferred Stock, collectively.

(r) "***Super Voting Preferred Stock***" shall mean the Series A Preferred Stock, the Series B Preferred Stock and the Series m-2 Preferred Stock, collectively.

(s) "***Recapitalization***" shall mean any stock dividend, stock split, combination of shares, reorganization, recapitalization, reclassification or other similar event.

(t) "***Transfer***" of a share of Class B Common Stock shall mean any sale, assignment, transfer, conveyance, hypothecation or other transfer or disposition of such share or any legal or beneficial interest in such share, whether or not for value and whether voluntary or involuntary or by operation of law. A "***Transfer***" shall also include, without limitation, (i) a transfer of a share of Class B Common Stock to a broker or other nominee (regardless of whether or not there is a corresponding change in beneficial ownership), (ii) the transfer of, or entering into a binding agreement with respect to, Voting Control over a share of Class B Common Stock by proxy or otherwise, (iii) any Transfer in connection with a divorce proceeding, domestic relations order or similar legal requirement; provided, however, that the following shall not be considered a "***Transfer***" within the meaning of Section 1(t):

(i) the granting of a proxy to officers or directors of the Corporation at the request of the Board of Directors of the Corporation in connection with actions to be taken at an annual or special meeting of stockholders;

(ii) entering into a voting trust, agreement or arrangement (with or without granting a proxy) solely with stockholders who are Class B Common Stockholders, that (A) is disclosed either in a Schedule 13D filed with the Securities and Exchange Commission or in writing to the Secretary of the Corporation, (B) either has a term not exceeding one (1) year or is terminable by the Class B Common Stockholder at any time and (C) does not involve any payment of cash, securities, property or other consideration to the Class B Common Stockholder other than the mutual promise to vote shares in a designated manner; or

(iii) the pledge of shares of Class B Common Stock by a Class B Common Stockholder that creates a mere security interest in such shares pursuant to a bona fide loan or indebtedness transaction so long as the Class B Common Stockholder continues to exercise Voting Control over such pledged shares; provided, however, that a foreclosure on such shares of Class B Common Stock or other similar action by the pledgee shall constitute a "***Transfer***."

(u) "***Voting Control***" shall mean the power to vote or direct the voting of the applicable voting security by proxy, voting agreement or otherwise.

2. **Dividends.**

(a) ***Preferred Stock.***

(i) *Series m-4 Preferred Stock.*

(1) ***PIK Dividends***. Holders of Series m-4 Preferred Stock shall be entitled to receive, to the fullest extent permitted by law, cumulative dividends payable semi-annually in arrears with respect to each dividend period ending on and including the last calendar day of each six-month period ending March 31 and September 30, respectively (each such period, a "***Dividend Period***" and each such date, a "***Dividend Payment Date***"), at the rate per share of Series m-4 Preferred Stock equal to the Dividend Rate for the Series m-4 Preferred Stock, in each case subject to compliance with applicable law. The record date for payment of semi-annual dividends on the Series m-4 Preferred Stock will be the 15th day of the calendar month of the applicable Dividend Payment Date, whether or not such date is a business day, and dividends shall only be payable to registered holders of record of the Series m-4 Preferred Stock as such holders appear on the stock register of the Corporation at the close of business on the related record date. If any Dividend Payment Date is not a business day, the applicable payment shall be due on the next succeeding business day. Dividends contemplated by this paragraph (a) above shall be paid in kind as a dividend of additional shares of Series m-4 Preferred Stock ("***PIK Dividends***") for each Dividend Period on the applicable Dividend Payment Date using a price per share equal to the Original Issue Price; provided that the Corporation shall not issue any fractional shares of Series m-4 Preferred Stock and any consideration due for any fractional shares will be rounded down and is hereby waived. If and to the extent that the Corporation does not for any reason pay the entire dividend payable for a particular Dividend Period as a PIK Dividend, on the applicable Dividend Payment Date for such period (whether or not the payment of dividends is permitted under applicable law or such dividends are declared by the Board of Directors of the Corporation), such unpaid dividends, together with any unpaid PIK Dividends that accrue on such unpaid dividends, shall be automatically paid as PIK Dividends to the holders of the Series m-4 Preferred Stock as of the record date for the applicable Dividend Payment Date, on the first date on which such PIK Dividends can be paid in accordance with applicable law. PIK Dividends shall be treated for all purposes as a single series with all other shares of Series m-4 Preferred Stock, and shall have the same designations, rights, preferences, powers, restrictions and limitations as all other shares of Series m-4 Preferred Stock, including, without limitation, with respect to the accrual and payment of dividends or distributions. Dividends on the Series m-4 Preferred Stock shall be calculated on the basis of a 360-day year, consisting of twelve (12), thirty (30) calendar day periods, and shall accrue commencing on the date on which the Corporation issues the applicable shares of Series m-4 Preferred Stock. When a dividend is paid or deemed paid as a PIK Dividend, the number of shares so payable per share of Series m-4 Preferred Stock shall be: (i) for any full Dividend Period, the full Dividend Rate divided by two, and (ii) for any partial Dividend Period, the Dividend Rate divided by two multiplied by a fraction, the numerator of which is the number of days elapsed during the period with respect to which the dividend is payable and the denominator of which is 180 (thus, by way of example, assuming no adjustments for Recapitalizations or otherwise as set forth herein, the number of shares of m-4 Preferred Stock payable for a Dividend Period on 100 shares of m-4 Preferred Stock would equal 6 shares).

(2) ***Other Dividends***. Except as described above, the Corporation shall have no obligation to pay any dividends to the holders of Series m-4 Preferred Stock, except when, as and if declared by the Board of Directors out of any assets at the time legally available therefor or as otherwise specifically provided in this Amended and Restated Certificate of Incorporation. No Distribution shall be made with respect to the Series S Preferred Stock, the Series B Preferred Stock, the Series m Preferred Stock, the Series m-1 Preferred Stock, the Series m-2 Preferred Stock, Series A Preferred Stock, Series m-3 Preferred Stock or the Common Stock until all declared or accrued but unpaid dividends on the Series m-4 Preferred Stock have been paid or set aside for payment to the Series m-4 Preferred Stock holders.

(ii) *Other Preferred Stock*. In addition, in any calendar year, the holders of outstanding shares of Preferred Stock shall be entitled to receive dividends, when, as and if declared by the Board of Directors, out of any assets at the time legally available therefor, at the Dividend Rate specified for such shares of Preferred Stock payable in preference and priority to any declaration or payment of any Distribution on Common Stock of the Corporation in such calendar year. Except as specified in Section 2(a)(i) above, the right to receive dividends on shares of Preferred Stock shall not be cumulative, and no right to dividends shall accrue to holders of Preferred Stock by reason of the fact that dividends on said shares are not declared or paid.

(1) No Distributions shall be made with respect to the Series S Preferred Stock, the Series B Preferred Stock, the Series m Preferred Stock, the Series m-1 Preferred Stock, the Series m-2 Preferred Stock, Series A Preferred Stock or Series m-3 Preferred Stock unless dividends on the Series m-4 Preferred Stock have been declared in accordance with the preferences stated herein and all declared or accrued dividends on the Series m-4 Preferred Stock have been paid or set aside for payment to the Series m-4 Preferred Stock holders.

(2) No Distributions shall be made with respect to the Series B Preferred Stock, the Series m Preferred Stock, the Series m-1 Preferred Stock, the Series m-2 Preferred Stock, Series A Preferred Stock or Series m-3 Preferred Stock unless dividends on the Series S Preferred Stock have been declared in accordance with the preferences stated herein and all declared dividends on the Series S Preferred Stock have been paid or set aside for payment to the Series S Preferred Stock holders.

(3) No Distributions shall be made with respect to the Series A Preferred Stock or Series m-3 Preferred Stock unless dividends on the Series B Preferred Stock, the Series m Preferred Stock, the Series m-1 Preferred Stock and the Series m-2 Preferred Stock have been declared in accordance with the preferences stated herein and all declared dividends on the Series B Preferred Stock, the Series m Preferred Stock, the Series m-1 Preferred Stock and the Series m-2 Preferred Stock have been paid or set aside for payment to the Series B Preferred Stock holders, the Series m Preferred Stock holders, the Series m-1 Preferred Stock holders and the Series m-2 Preferred Stock holders, as applicable.

(4) No Distributions shall be made with respect to the Series m-3 Preferred Stock unless dividends on the Series A Preferred Stock have been declared in accordance with the preferences stated herein and all declared dividends on the Series A Preferred Stock have been paid or set aside for payment to the Series A Preferred Stock holders.

(5) No Distributions shall be made with respect to the Common Stock unless dividends on the Series m-3 Preferred Stock have been declared in accordance with the preferences stated herein and all declared dividends on the Series m-3 Preferred Stock have been paid or set aside for payment to the Series m-3 Preferred Stock holders.

(b) ***Additional Dividends.*** After the payment or setting aside for payment of the dividends described in Section 2(a), any additional dividends (other than dividends on Common Stock payable solely in Common Stock) set aside or paid in any fiscal year shall be set aside or paid among the holders of the Preferred Stock and Common Stock then outstanding in proportion to the greatest whole number of shares of Common Stock which would be held by each such holder if all shares of Preferred Stock were converted at the then-effective Conversion Rate (as defined in Section 4).

(c) ***Non-Cash Distributions.*** Whenever a Distribution provided for in this Section 2 shall be payable in property other than cash, the value of such Distribution shall be deemed to be the fair market value of such property as determined in good faith by the Board of Directors, provided that PIK Dividends will accrue and be paid as provided in Section 2(a)(i).

(d) ***Consent to Certain Distributions.*** In accordance with Section 500 of the California Corporations Code, a distribution can be made without regard to any preferential dividends arrears amount (as defined in Section 500 of the California Corporations Code) or any preferential rights amount (as defined in Section 500 of the California Corporations Code) in connection with (i) repurchases of Common Stock issued to or held by employees, officers, directors or consultants of the Corporation or its subsidiaries upon termination of their employment or services pursuant to agreements providing for the right of said repurchase, (ii) repurchases of Common Stock issued to or held by employees, officers, directors or consultants of the Corporation or its subsidiaries pursuant to rights of first refusal contained in agreements providing for such right, (iii) repurchases of Common Stock or Preferred Stock in connection with the settlement of disputes with any stockholder, or (iv) any other repurchase or redemption of Common Stock or Preferred Stock approved by the holders of Preferred Stock of the Corporation.

(e) ***Waiver of Dividends.*** Any dividend preference of any series of Preferred Stock may be waived, in whole or in part, by the consent or vote of the holders of the majority of the outstanding shares of such series.

3. **Liquidation Rights.**

(a) ***Liquidation Preference.***

(i) In the event of any Liquidation Event, the holders of the Series m-4 Preferred Stock shall be entitled to receive, prior and in preference to any Distribution of any of the assets of the Corporation to the holders of the Series S Preferred Stock, Series A Preferred Stock, Series B Preferred Stock, Series m Preferred Stock, Series m-1 Preferred Stock, Series m-2 Preferred Stock, Series m-3 Preferred Stock or Common Stock by reason of their ownership of such stock, an amount per share for each share of Series m-4 Preferred Stock held by them equal to the greater of (A): the sum of (i) the Liquidation Preference specified for such share of Series m-4 Preferred Stock, and (ii) all accrued but unpaid PIK Dividends (if any) on such share of Series m-4 Preferred Stock, whether or not declared, or (B) the consideration that such Holder would receive in the Liquidation Event if all shares of Series m-4 Preferred Stock were converted to Class A Common Stock pursuant to Section 4 immediately prior to such Liquidation Event, or (C) such lesser amount as may be approved by the holders of the majority of the outstanding shares of Series m-4 Preferred Stock, where for purposes of (B) such Holder is deemed to hold, in addition to each of its shares of Series m-4 Preferred Stock, any additional shares of Series m-4 Preferred Stock that constitute all accrued but unpaid PIK Dividends, whether or not declared. If upon the Liquidation Event, the assets of the Corporation legally available for distribution to the holders of the Series m-4 Preferred Stock are insufficient to permit the payment to such holders of the full amounts specified in this Section 3(a)(i), then the entire assets of the Corporation legally available for distribution shall be distributed with equal priority and *pro rata* among the holders of the Series m-4 Preferred Stock in proportion to the full amounts they would otherwise be entitled to receive pursuant to this Section 3(a)(i).

(ii) The holders of the Series S Preferred Stock shall be entitled to receive, prior and in preference to any Distribution of any of the assets of the Corporation to the holders of the Series A Preferred Stock, Series B Preferred Stock, Series m Preferred Stock, Series m-1 Preferred Stock, Series m-2 Preferred Stock, Series m-3 Preferred Stock or Common Stock by reason of their ownership of such stock, an amount per share for each share of Series S Preferred Stock held by them equal to the greater of (A): the sum of (i) the Liquidation Preference specified for such share of Series S Preferred Stock, and (ii) all declared but unpaid dividends (if any) on such share of Series S Preferred Stock, or (B) the amount such Holder would receive if all shares of Series S Preferred Stock were converted to Common Stock pursuant to Section 4 immediately prior to such Liquidation Event, or (C) such lesser amount as may be approved by the holders of the majority of the outstanding shares of Series S Preferred Stock. If upon the Liquidation Event, the assets of the Corporation legally available for distribution to the holders of the Series S Preferred Stock are insufficient to permit the payment to such holders of the full amounts specified in this Section 3(a)(i), then the entire assets of the Corporation legally available for distribution shall be distributed with equal priority and *pro rata* among the holders of the Series S Preferred Stock in proportion to the full amounts they would otherwise be entitled to receive pursuant to this Section 3(a)(i).

(iii) The holders of the Series B Preferred Stock, the Series m Preferred Stock, the Series m-1 Preferred Stock and the Series m-2 Preferred Stock shall be entitled to receive, prior and in preference to any Distribution of any of the assets of the Corporation to the holders of the Series A Preferred Stock, Series m-3 Preferred Stock or Common Stock by reason of their ownership of such stock, an amount per share for each share of Series B Preferred Stock, the Series m Preferred Stock, the Series m-1 Preferred Stock and the Series m-2 Preferred Stock held by them equal to the greater of (A): the sum of (i) the Liquidation Preference specified for such share of Series B Preferred Stock, Series m Preferred Stock, Series m-1 Preferred Stock or Series m-2 Preferred Stock, as applicable, and (ii) all declared but unpaid dividends (if any) on such share of Series B Preferred Stock, Series m Preferred Stock, Series m-1 Preferred Stock or Series m-2 Preferred Stock, as applicable, or (B) the amount such Holder would receive if all shares of the applicable series of Preferred Stock were converted to Common Stock pursuant to Section 4 immediately prior to such Liquidation Event, or (C) such lesser amount as may be approved by the holders of the majority of the outstanding shares of Series B Preferred Stock, Series m Preferred Stock, Series m-1 Preferred Stock and Series m-2 Preferred Stock, voting together as a single class. If upon the Liquidation Event, the assets of the Corporation legally available for distribution to the holders of the Series B Preferred Stock, the Series m Preferred Stock, the Series m-1 Preferred Stock and the Series m-2 Preferred Stock are insufficient to permit the payment to such holders of the full amounts specified in this Section 3(a)(i), then the entire assets of the Corporation legally available for distribution shall be distributed with equal priority and *pro rata* among the holders of the Series B Preferred Stock, the Series m Preferred Stock, the Series m-1 Preferred Stock and the Series m-2 Preferred Stock in proportion to the full amounts they would otherwise be entitled to receive pursuant to this Section 3(a)(i).

(iv) The holders of Series A Preferred Stock shall be entitled to receive, prior and in preference to any Distribution of any of the assets of the Corporation to the holders of Common Stock or Series m-3 Preferred Stock by reason of their ownership of such stock, an amount per share for each share of Series A Preferred Stock held by them equal to the greater of (A): the sum of (i) the Liquidation Preference specified for such share of Series A Preferred Stock and (ii) all declared but unpaid dividends (if any) on such share of Series A Preferred Stock, or (B) the amount such Holder would receive if all shares of Series A Preferred Stock were converted to Common Stock pursuant to Section 4 immediately prior to such Liquidation Event, or (C) such lesser amount as may be approved by the holders of the majority of the outstanding shares of Series A Preferred Stock. If upon a Liquidation Event, the assets of the Corporation legally available for distribution to the holders of the Series A Preferred Stock are insufficient to permit the payment to such holders of the full amounts specified in this Section 3(a)(iv) then the entire assets of the Corporation legally available for distribution shall be distributed with equal priority and *pro rata* among the holders of the Series A Preferred Stock in proportion to the full amounts they would otherwise be entitled to receive pursuant to this Section 3(a)(iv).

(v) The holders of Series m-3 Preferred Stock shall be entitled to receive, prior and in preference to any Distribution of any of the assets of the Corporation to the holders of Common Stock by reason of their ownership of such stock, an amount per share for each share of Series m-3 Preferred Stock held by them equal to the greater of (A): the sum of (i) the Liquidation Preference specified for such share of Series m-3 Preferred Stock and (ii) all declared but unpaid dividends (if any) on such share of Series m-3 Preferred Stock, or (B) the amount such Holder would receive if all shares of Series m-3 Preferred Stock were converted to Common Stock pursuant to Section 4 immediately prior to such Liquidation Event, or (C) such lesser amount as may be approved by the holders of the majority of the outstanding shares of Series m-3 Preferred Stock. If upon a Liquidation Event, the assets of the Corporation legally available for distribution to the holders of the Series m-3 Preferred Stock are insufficient to permit the payment to such holders of the full amounts specified in this Section 3(a)(v), then the entire assets of the Corporation legally available for distribution shall be distributed with equal priority and *pro rata* among the holders of the Series m-3 Preferred Stock in proportion to the full amounts they would otherwise be entitled to receive pursuant to this Section 3(a)(v).

(b) ***Remaining Assets.*** After the payment or setting aside for payment to the holders of Preferred Stock of the full amounts specified in Section 3(a), the entire remaining assets of the Corporation legally available for distribution shall be distributed *pro rata* to holders of the Common Stock of the Corporation in proportion to the number of shares of Common Stock then held by them.

(c) ***Shares not Treated as Both Preferred Stock and Common Stock in any Distribution.*** Subject to Section 3(a), shares of Preferred Stock shall not be entitled to be converted into shares of Common Stock in order to participate in any Distribution, or series of Distributions, as shares of Common Stock, without first forgoing participation in the Distribution, or series of Distributions, as shares of Preferred Stock.

(d) ***Valuation of Non-Cash Consideration.*** If any assets of the Corporation distributed to stockholders in connection with any Liquidation Event are other than cash, then, the value of such assets shall be their fair market value as determined in good faith by the Board of Directors, *except that* any publicly-traded securities to be distributed to stockholders in a Liquidation Event shall be valued as follows:

(i) if the securities are then traded on a national securities exchange, then the value of the securities shall be deemed to be the average of the closing prices of the securities on such exchange over the ten (10) trading day period ending five (5) trading days prior to the Distribution;

(ii) if the securities are actively traded over-the-counter, then the value of the securities shall be deemed to be the average of the closing bid prices of the securities over the ten (10) trading day period ending five (5) trading days prior to the Distribution.

In the event of a merger or other acquisition of the Corporation by another entity, the Distribution date shall be deemed to be the date such transaction closes.

4. **Conversion of Preferred Stock.** The holders of the Preferred Stock shall have conversion rights as follows:

(a) ***Right to Convert.*** Each share of Super Voting Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share at the office of the Corporation or any transfer agent for such Super Voting Preferred Stock, into that number of fully-paid, nonassessable shares of Class B Common Stock determined by dividing the Original Issue Price for the relevant series of such Preferred Stock by the Conversion Price for such series. Each share of Ordinary Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share at the office of the Corporation or any transfer agent for such Ordinary Preferred Stock, into that number of fully-paid, nonassessable shares of Class A Common Stock determined by dividing the Original Issue Price for the relevant series of such Ordinary Preferred Stock by the Conversion Price for such series. The number of shares of Class B Common Stock or Class A Common Stock (as the case may be) into which each share of Super Voting Preferred Stock or Ordinary Preferred Stock, as applicable, of a series may be converted is hereinafter referred to as the "***Conversion Rate***" for each such series. Upon any decrease or increase in the Conversion Price for any series of Preferred Stock, as described in this Section 4, the Conversion Rate for such series shall be appropriately increased or decreased. Notwithstanding anything to the contrary herein, each share of Super Voting Preferred Stock that is part of a Transfer other than pursuant to an Exempted Transfer shall automatically become convertible into a share of Class A Common Stock.

(b) ***Automatic Conversion.*** Each share of Super Voting Preferred Stock shall automatically be converted into fully-paid, non-assessable shares of Class B Common Stock, and each share of the Ordinary Preferred Stock shall automatically be converted into fully-paid, non-assessable shares of Class A Common Stock, as applicable, at the then effective Conversion Rate for such share (i) immediately prior to an IPO, or (ii) with respect to Preferred Stock other than the Series m-4 Preferred Stock, upon the receipt by the Corporation of a written request for such conversion from the holders of a majority of the Preferred Stock other than the Series m-4 Preferred Stock then outstanding (voting as a single class and on an as-converted basis), or, if later, the effective date for conversion specified in such requests, or (iii) with respect to the Series m-4 Preferred Stock, upon the receipt by the Corporation of a written request for such conversion from the holders of a majority of the Series m-4 Preferred Stock then outstanding (voting as a single class and on an as-converted basis) or, if later, the effective date for conversion specified in such requests (each of the events referred to in (i) through (iii) are referred to herein as an "***Automatic Conversion Event***").

If a Qualified Financing (as defined below) occurs on or prior to December 31, 2019, then all of the shares of Series m-4 Preferred Stock shall automatically convert into a number of fully paid and nonassessable shares of the Series S Preferred Stock issued in such Qualified Financing equal to 0.4375 shares of Series S Preferred Stock for every 1 share of Series m-4 Preferred Stock. "***Qualified Financing***" is a transaction or series of transactions pursuant to which the Corporation issues and sells exclusively shares of its Series S Preferred Stock for aggregate gross proceeds of at least $15,000,000 on or before December 31, 2019. The Corporation shall not issue any fractional shares of Series S Preferred Stock and any consideration due for any fractional shares will be rounded down and is hereby waived. Upon such conversion, holders of Series m-4 Preferred Stock hereby agrees to execute and deliver to the Company, and shall be bound upon such conversion by the obligations in, the documentation necessary to affect the conversion.

(c) ***Mechanics of Conversion.*** No fractional shares of Common Stock shall be issued upon conversion of Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the then fair market value of a share of Common Stock as determined by the Board of Directors. For such purpose, all shares of Preferred Stock held by each holder of Preferred Stock shall be aggregated, and any resulting fractional share of Common Stock shall be paid in cash. Before any holder of Preferred Stock shall be entitled to convert the same into full shares of Common Stock, and to receive certificates therefor, the holder shall either (A) surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation or of any transfer agent for the Preferred Stock or (B) notify the Corporation or its transfer agent that such certificates have been lost, stolen or destroyed and execute an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates, and shall give written notice to the Corporation at such office that the holder elects to convert the same; *provided, however,* that on the date of an Automatic Conversion Event, the outstanding shares of Preferred Stock shall be converted automatically without any further action by the holders of such shares and whether or not the certificates representing such shares are surrendered to the Corporation or its transfer agent; *provided further*, however, that the Corporation shall not be obligated to issue certificates evidencing the shares of Common Stock issuable upon such Automatic Conversion Event unless either the certificates evidencing such shares of Preferred Stock are delivered to the Corporation or its transfer agent as provided above, or the holder notifies the Corporation or its transfer agent that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates. On the date of the occurrence of an Automatic Conversion Event, each holder of record of shares of Preferred Stock shall be deemed to be the holder of record of the Common Stock issuable upon such conversion, notwithstanding that the certificates representing such shares of Preferred Stock shall not have been surrendered at the office of the Corporation, that notice from the Corporation shall not have been received by any holder of record of shares of Preferred Stock, or that the certificates evidencing such shares of Common Stock shall not then be actually delivered to such holder.

(d) ***Adjustments to Conversion Price for Diluting Issues.***

(i) ***Special Definition.*** For purposes of this paragraph 4(d), "***Additional Shares of Common***" shall mean all shares of Common Stock issued (or, pursuant to paragraph 4(d)(iii), deemed to be issued) by the Corporation after the filing of this Amended and Restated Certificate of Incorporation, other than issuances or deemed issuances of:

(1) shares of Common Stock upon the conversion of the Preferred Stock;

(2) shares of Common Stock and options, warrants or other rights to purchase Common Stock issued or issuable to employees, officers or directors of, or consultants or advisors to the Corporation or any subsidiary pursuant to stock grants, restricted stock purchase agreements, option plans, purchase plans, incentive programs or similar arrangements, or options, warrants or other rights to purchase Common Stock net of any stock repurchases or expired or terminated options pursuant to the terms of any option plan, restricted stock purchase agreement or similar arrangement;

(3) shares of Common Stock issued upon the exercise or conversion of Options or Convertible Securities;

(4) shares of Common Stock issued or issuable as a dividend or distribution on Preferred Stock or pursuant to any event for which adjustment is made pursuant to paragraph 4(e), 4(f) or 4(g) hereof;

(5) shares of Common Stock issued or issuable in a registered public offering under the Securities Act pursuant to which all outstanding shares of Preferred Stock are automatically converted into Common Stock pursuant to an Automatic Conversion Event;

(6) shares of Common Stock issued or issuable pursuant to the acquisition of another corporation by the Corporation by merger, purchase of substantially all of the assets or other reorganization or to a joint venture agreement, *provided*, that such issuances are approved by the Board of Directors;

(7) shares of Common Stock issued or issuable to banks, equipment lessors, real property lessors, financial institutions or other persons engaged in the business of making loans pursuant to a debt financing, commercial leasing or real property leasing transaction approved by the Board of Directors;

(8) shares of Common Stock issued or issuable in connection with any settlement of any action, suit, proceeding or litigation approved by the Board of Directors;

(9) shares of Common Stock issued or issuable in connection with sponsored research, collaboration, technology license, development, OEM, marketing or other similar agreements or strategic partnerships approved by the Board of Directors; and

(10) shares of Common Stock issued or issuable to suppliers or third party service providers in connection with the provision of goods or services pursuant to transactions approved by the Board of Directors.

(ii) ***No Adjustment of Conversion Price.*** No adjustment in the Conversion Price of a particular series of Preferred Stock shall be made in respect of the issuance of Additional Shares of Common unless the consideration per share (as determined pursuant to paragraph 4(d)(v)) for an Additional Share of Common issued or deemed to be issued by the Corporation is less than the Conversion Price in effect on the date of, and immediately prior to such issue, for such series of Preferred Stock.

(iii) ***Deemed Issue of Additional Shares of Common.*** In the event the Corporation at any time after the Original Issue Date shall issue any Options or Convertible Securities or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of shares (as set forth in the instrument relating thereto without regard to any provisions contained therein for a subsequent adjustment of such number) of Common Stock issuable upon the exercise of such Options or, in the case of Convertible Securities, the conversion or exchange of such Convertible Securities or, in the case of Options for Convertible Securities, the exercise of such Options and the conversion or exchange of the underlying securities, shall be deemed to have been issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date, *provided* that in any such case in which shares are deemed to be issued:

(1) no further adjustment in the Conversion Price of any series of Preferred Stock shall be made upon the subsequent issue of Convertible Securities or shares of Common Stock in connection with the exercise of such Options or conversion or exchange of such Convertible Securities;

(2) if such Options or Convertible Securities by their terms provide, with the passage of time or otherwise, for any change in the consideration payable to the Corporation or in the number of shares of Common Stock issuable upon the exercise, conversion or exchange thereof (other than a change pursuant to the anti-dilution provisions of such Options or Convertible Securities such as this Section 4(d) or pursuant to Recapitalization provisions of such Options or Convertible Securities such as Sections 4(e), 4(f) and 4(g) hereof), the Conversion Price of each series of Preferred Stock and any subsequent adjustments based thereon shall be recomputed to reflect such change as if such change had been in effect as of the original issue thereof (or upon the occurrence of the record date with respect thereto);

(3) no readjustment pursuant to clause (2) above shall have the effect of increasing the Conversion Price of a series of Preferred Stock to an amount above the Conversion Price that would have resulted from any other issuances of Additional Shares of Common and any other adjustments provided for herein between the original adjustment date and such readjustment date;

(4) upon the expiration of any such Options or any rights of conversion or exchange under such Convertible Securities which shall not have been exercised, the Conversion Price of each Series of Preferred Stock computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto) and any subsequent adjustments based thereon shall, upon such expiration, be recomputed as if:

(a) in the case of Convertible Securities or Options for Common Stock, the only Additional Shares of Common issued were the shares of Common Stock, if any, actually issued upon the exercise of such Options or the conversion or exchange of such Convertible Securities and the consideration received therefor was the consideration actually received by the Corporation for the issue of such exercised Options plus the consideration actually received by the Corporation upon such exercise or for the issue of all such Convertible Securities which were actually converted or exchanged, plus the additional consideration, if any, actually received by the Corporation upon such conversion or exchange, and

(b) in the case of Options for Convertible Securities, only the Convertible Securities, if any, actually issued upon the exercise thereof were issued at the time of issue of such Options, and the consideration received by the Corporation for the Additional Shares of Common deemed to have been then issued was the consideration actually received by the Corporation for the issue of such exercised Options, plus the consideration deemed to have been received by the Corporation (determined pursuant to Section 4(d)(v)) upon the issue of the Convertible Securities with respect to which such Options were actually exercised; and

(5) if such record date shall have been fixed and such Options or Convertible Securities are not issued on the date fixed therefor, the adjustment previously made in the Conversion Price which became effective on such record date shall be canceled as of the close of business on such record date, and thereafter the Conversion Price shall be adjusted pursuant to this paragraph 4(d)(iii) as of the actual date of their issuance.

(iv) ***Adjustment of Conversion Price Upon Issuance of Additional Shares of Common.*** In the event this Corporation shall issue Additional Shares of Common (including Additional Shares of Common deemed to be issued pursuant to paragraph 4(d)(iii)) without consideration or for a consideration per share less than the applicable Conversion Price of a series of Preferred Stock other than Series m-3 Preferred Stock or the Series m-4 Preferred Stock (including accrued but unpaid PIK Dividends) in effect on the date of and immediately prior to such issue, then, the Conversion Price of the affected series of Preferred Stock (other than for Series m-3 Preferred Stock) shall be reduced, concurrently with such issue, to a price (calculated to the nearest cent) determined by multiplying such Conversion Price by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such issue plus the number of shares which the aggregate consideration received by the Corporation for the total number of Additional Shares of Common so issued would purchase at such Conversion Price, and the denominator of which shall be the number of shares of Common Stock outstanding immediately prior to such issue plus the number of such Additional Shares of Common so issued. Notwithstanding the foregoing, the Conversion Price shall not be reduced at such time if the amount of such reduction would be less than $0.01, but any such amount shall be carried forward, and a reduction will be made with respect to such amount at the time of, and together with, any subsequent reduction which, together with such amount and any other amounts so carried forward, equal $0.01 or more in the aggregate. For the purposes of this Section 4(d)(iv), all shares of Common Stock issuable upon conversion of all outstanding shares of Preferred Stock and the exercise and/or conversion of any other outstanding Convertible Securities and all outstanding Options shall be deemed to be outstanding. For the sake of clarity, the adjustments provided for in this paragraph 4(d)(iv) shall not apply to shares of Series m-3 Preferred Stock.

(v) ***Determination of Consideration.*** For purposes of this Section 4(d), the consideration received by the Corporation for the issue (or deemed issue) of any Additional Shares of Common shall be computed as follows:

(1) ***Cash and Property.*** Such consideration shall:

(a) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation before deducting any reasonable discounts, commissions or other expenses allowed, paid or incurred by the Corporation for any underwriting or otherwise in connection with such issuance;

(b) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined in good faith by the Board of Directors; and

(c) in the event Additional Shares of Common are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses (a) and (b) above, as reasonably determined in good faith by the Board of Directors.

(2) ***Options and Convertible Securities.*** The consideration per share received by the Corporation for Additional Shares of Common deemed to have been issued pursuant to paragraph 4(d)(iii) shall be determined by dividing

(x) the total amount, if any, received or receivable by the Corporation as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities by

(y) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities.

(e) ***Adjustments for Subdivisions or Combinations of Common Stock.*** In the event the outstanding shares of Common Stock shall be subdivided (by stock split, by payment of a stock dividend or otherwise), into a greater number of shares of Common Stock, the Conversion Price of each series of Preferred Stock in effect immediately prior to such subdivision shall, concurrently with the effectiveness of such subdivision, be proportionately decreased. In the event the outstanding shares of Common Stock shall be combined (by reclassification or otherwise) into a lesser number of shares of Common Stock, the Conversion Prices in effect immediately prior to such combination shall, concurrently with the effectiveness of such combination, be proportionately increased.

(f) ***Adjustments for Subdivisions or Combinations of Preferred Stock.*** In the event the outstanding shares of Preferred Stock or a series of Preferred Stock shall be subdivided (by stock split, by payment of a stock dividend or otherwise), into a greater number of shares of Preferred Stock, the Dividend Rate, Original Issue Price and Liquidation Preference of the affected series of Preferred Stock in effect immediately prior to such subdivision shall, concurrently with the effectiveness of such subdivision, be proportionately decreased. In the event the outstanding shares of Preferred Stock or a series of Preferred Stock shall be combined (by reclassification or otherwise) into a lesser number of shares of Preferred Stock, the Dividend Rate, Original Issue Price and Liquidation Preference of the affected series of Preferred Stock in effect immediately prior to such combination shall, concurrently with the effectiveness of such combination, be proportionately increased.

(g) ***Adjustments for Reclassification, Exchange and Substitution.*** Subject to Section 3 ("***Liquidation Rights***"), if the Common Stock issuable upon conversion of the Preferred Stock shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares provided for above), then, in any such event, in lieu of the number of shares of Common Stock which the holders would otherwise have been entitled to receive each holder of such Preferred Stock shall have the right thereafter to convert such shares of Preferred Stock into a number of shares of such other class or classes of stock which a holder of the number of shares of Common Stock deliverable upon conversion of such series of Preferred Stock immediately before that change would have been entitled to receive in such reorganization or reclassification, all subject to further adjustment as provided herein with respect to such other shares.

(h) ***Certificate as to Adjustments.*** Upon the occurrence of each adjustment or readjustment of the Conversion Price pursuant to this Section 4, the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of Preferred Stock to which the adjustment applies a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon the written request at any time of any holder of Preferred Stock to which such adjustment applies, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, (ii) the Conversion Price at the time in effect and (iii) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon the conversion of Preferred Stock.

(i) ***Waiver of Adjustment of Conversion Price.*** Notwithstanding anything herein to the contrary, any downward adjustment of the Conversion Price of any series of Preferred Stock may be waived by the consent or vote of the holders of the majority of the outstanding shares of such series either before or after the issuance causing the adjustment. Any such waiver shall bind all future holders of shares of such series of Preferred Stock.

(j) ***Notices of Record Date.*** In the event that this Corporation shall propose at any time:

(i) to declare any Distribution upon its Common Stock, whether in cash, property, stock or other securities, whether or not a regular cash dividend and whether or not out of earnings or earned surplus;

(ii) to effect any reclassification or recapitalization of its Common Stock outstanding involving a change in the Common Stock; or

(iii) to enter into or consummate a Liquidation Event;

then, in connection with each such event, this Corporation shall send to the holders of the Preferred Stock prior written notice of the date on which a record shall be taken for such Distribution (and specifying the date on which the holders of Common Stock shall be entitled thereto and, if applicable, the amount and character of such Distribution) or for determining rights to vote in respect of the matters referred to in (ii) and (iii) above.

Such written notice shall be given by first class mail (or express courier), postage prepaid, addressed to the holders of Preferred Stock at the address for each such holder as shown on the books of the Corporation and shall be deemed given on the date such notice is mailed.

The notice provisions set forth in this section may be shortened or waived prospectively or retrospectively by the consent or vote of the holders of a majority of the Preferred Stock, voting as a single class and on an as-converted basis.

(k) ***Reservation of Stock Issuable Upon Conversion.*** The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Class B Common Stock (and a corresponding number of shares of Class A Common Stock) solely for the purpose of effecting the conversion of the shares of the Super Voting Preferred Stock, such number of its shares of Class B Common Stock (and a corresponding number of shares of Class A Common Stock) as shall from time to time be sufficient to effect the conversion of all then outstanding shares of the Super Voting Preferred Stock; and the Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Class A Common Stock solely for the purpose of effecting the conversion of the shares of the Ordinary Preferred Stock, such number of its shares of Class A Common Stock as shall from time to time be sufficient to effect the conversion of all then outstanding shares of the Ordinary Preferred Stock; and if at any time the number of authorized but unissued shares of Class B Common Stock (and a corresponding number of shares of Class A Common Stock) or Class A Common Stock, as the case may be, shall not be sufficient to effect the conversion of all then outstanding shares of the Super Voting Preferred Stock or Ordinary Preferred Stock, as the case may be, the Corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Class B Common Stock (and a corresponding number of shares of Class A Common Stock) or Class A Common Stock, as the case may be, to such number of shares as shall be sufficient for such purpose.

5. **Conversion of Class B Common Stock**.

(a) ***Optional Conversion.*** Each share of Class B Common Stock shall be convertible into one (1) fully paid and nonassessable share of Class A Common Stock at the option of the holder thereof at any time upon written notice to the transfer agent of the Corporation.

(b) ***Automatic Conversion upon Transfer.*** Each share of Class B Common Stock shall automatically, without any further action, convert into one (1) fully paid and nonassessable share of Class A Common Stock upon the Transfer of such share; provided, however, the following exceptions (the "***Exempted Transfers***") shall not trigger an automatic conversion:

(i) a Transfer of Class B Common Stock by a Class B Common Stockholder or such Class B Common Stockholder's Permitted Entities to another Class B Common Stockholder or such Class B Common Stockholder's Permitted Entities;

(ii) a Transfer by a Class B Common Stockholder to any of the following Permitted Entities, and from any of the following Permitted Entities back to such Class B Common Stockholder and/or any other Permitted Entity by or for such Class B Common Stockholder:

(1) a trust for the benefit of such Class B Common Stockholder and for the benefit of no other person, provided such Transfer does not involve any payment of cash, securities, property or other consideration (other than an interest in such trust) to the Class B Common Stockholder; and, provided, further, that in the event such Class B Common Stockholder is no longer the exclusive beneficiary of such trust, each share of Class B Common Stock then held by such trust shall automatically convert into one (1) fully paid and nonassessable share of Class A Common Stock;

(2) a trust for the benefit of persons other than the Class B Common Stockholder so long as the Class B Common Stockholder has sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held by such trust, provided such Transfer does not involve any payment of cash, securities, property or other consideration (other than an interest in such trust) to the Class B Common Stockholder; and, provided, further, that in the event the Class B Common Stockholder no longer has sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held by such trust, each share of Class B Common Stock then held by such trust shall automatically convert into one (1) fully paid and nonassessable share of Class A Common Stock;

(3) a trust under the terms of which such Class B Common Stockholder has retained a "qualified interest" within the meaning of §2702(b)(1) of the Internal Revenue Code (the "***Code***") and/or a reversionary interest so long as the Class B Common Stockholder has sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held by such trust; provided, however, that in the event the Class B Common Stockholder no longer has sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held by such trust, each share of Class B Common Stock then held by such trust shall automatically convert into one (1) fully paid and nonassessable share of Class A Common Stock;

(4) an Individual Retirement Account, as defined in Section 408(a) of the Code, or a pension, profit sharing, stock bonus or other type of plan or trust of which such Class B Common Stockholder is a participant or beneficiary and which satisfies the requirements for qualification under Section 401 of the Code; provided that in each case such Class B Common Stockholder has sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held in such account, plan or trust, and provided, further, that in the event the Class B Common Stockholder no longer has sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held by such account, plan or trust, each share of Class B Common Stock then held by such trust shall automatically convert into one (1) fully paid and nonassessable share of Class A Common Stock;

(5) a corporation in which such Class B Common Stockholder directly, or indirectly through one or more Permitted Entities, owns shares with sufficient Voting Control in the corporation, or otherwise has legally enforceable rights, such that the Class B Common Stockholder retains sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held by such corporation; provided that in the event the Class B Common Stockholder no longer owns sufficient shares or has sufficient legally enforceable rights to enable the Class B Common Stockholder to retain sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held by such corporation, each share of Class B Common Stock then held by such corporation shall automatically convert into one (1) fully paid and nonassessable share of Class A Common Stock;

(6) a partnership in which such Class B Common Stockholder directly, or indirectly through one or more Permitted Entities, owns partnership interests with sufficient Voting Control in the partnership, or otherwise has legally enforceable rights, such that the Class B Common Stockholder retains sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held by such partnership; provided that in the event the Class B Common Stockholder no longer owns sufficient partnership interests or has sufficient legally enforceable rights to enable the Class B Common Stockholder to retain sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held by such partnership, each share of Class B Common Stock then held by such partnership shall automatically convert into one (1) fully paid and nonassessable share of Class A Common Stock; or

(7) a limited liability company in which such Class B Common Stockholder directly, or indirectly through one or more Permitted Entities, owns membership interests with sufficient Voting Control in the limited liability company, or otherwise has legally enforceable rights, such that the Class B Common Stockholder retains sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held by such limited liability company; provided that in the event the Class B Common Stockholder no longer owns sufficient membership interests or has sufficient legally enforceable rights to enable the Class B Common Stockholder to retain sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held by such limited liability company, each share of Class B Common Stock then held by such limited liability company shall automatically convert into one (1) fully paid and nonassessable share of Class A Common Stock.

(c) ***Automatic Conversion Post IPO upon Election of Founders.*** At any time following an IPO, each outstanding share of Class B Common Stock shall automatically be converted into one (1) fully paid and nonassessable share of Class A Common Stock (and any outstanding right to receive shares of Class B Common Stock upon the exercise of, conversion of or settlement of Convertible Securities shall be automatically converted into the right to receive shares of Class A Common Stock on the same one-for-one basis) upon the affirmative vote or written consent of the holders of a majority of the Class B Common Stock then outstanding and held by the Founders and Permitted Entities of the Founders, or, if later, the effective date for such conversion specified by such vote or written consent. For purposes of this Section 5(c) only, "***Founders***" shall mean each of William Santana Li and Stacy Dean Stephens.

(d) ***Effect of Conversion.*** In the event of a conversion of shares of Class B Common Stock into shares of Class A Common Stock pursuant to this Section 5, such conversion shall be deemed to have been made at the time that the Corporation's transfer agent receives the written notice required pursuant to Section 5(a) or the time of the affirmative vote or written consent of the applicable holders of Class B Common Stock pursuant to Section 5(c) (or a later date specified by such vote or written consent), as applicable. Upon any conversion of Class B Common Stock to Class A Common Stock, all rights of the holder of such shares of Class B Common Stock shall cease and the person or persons in whose name or names the certificate or certificates representing the shares of Class B Common Stock are to be issued, if any, shall be treated for all purposes as having become the record holder or holders of such number of shares of Class A Common Stock into which such Class B Common Stock were convertible. Shares of Class B Common Stock that are converted into shares of Class A Common Stock as provided in this Section 5 shall be retired and shall not be reissued.

(e) ***Adjustments for Subdivisions or Combinations of Common Stock.*** In the event that the Corporation in any manner subdivides or combines the outstanding shares of Class A Common Stock, then the outstanding shares of Class B Common Stock shall be subdivided or combined in the same proportion and manner. In the event that the Corporation in any manner subdivides or combines the outstanding shares of Class B Common Stock, then the outstanding shares of Class A Common Stock shall be subdivided or combined in the same proportion and manner.

(f) ***Reservation of Stock Issuable Upon Conversion.*** The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Class A Common Stock solely for the purpose of effecting the conversion of the shares of Class B Common Stock, such number of its shares of Class A Common Stock as shall from time to time be sufficient to effect the conversion of all then outstanding shares of Class B Common Stock into shares of Class A Common Stock; and if at any time the number of authorized but unissued shares of Class A Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Class B Common Stock, the Corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Class A Common Stock to such number of shares as shall be sufficient for such purpose.

(g) ***Administration.*** The Corporation may, from time to time, establish such policies and procedures relating to the conversion of the Class B Common Stock to Class A Common Stock and the general administration of this dual class Common Stock structure, including the issuance of stock certificates with respect thereto, as it may deem necessary or advisable, provided that the rights of the holders are not adversely affected, and may request that holders of shares of Class B Common Stock furnish affidavits or other proof to the Corporation as it deems necessary to verify the ownership of Class B Common Stock and to confirm that a conversion to Class A Common Stock has not occurred.

(h) ***Preferred Stock Conversion.*** At any time if any Super Voting Preferred Stock remains outstanding but each outstanding share of Class B Common Stock shall have previously been converted into fully paid and nonassessable shares of Class A Common Stock, each share of such Super Voting Preferred Stock, if converted into Common Stock pursuant to Section 4 hereof, shall be converted into fully-paid, non-assessable shares of Class A Common Stock, at the then effective Conversion Rate for such share.

6. **Voting.**

(a) ***Restricted Class Voting.*** Except as otherwise expressly provided herein or as required by law, the holders of Preferred Stock, the holders of Class A Common Stock and the holders of Class B Common Stock shall vote together and not as separate classes.

(b) ***No Series Voting.*** Other than as provided herein or required by law, there shall be no series voting.

(c) ***Preferred Stock.*** Each holder of Preferred Stock shall be entitled to the number of votes equal to the number of votes to which each share of Common Stock is entitled for each such share of Common Stock into which such Preferred Stock could then be converted. The holders of shares of the Preferred Stock shall be entitled to vote on all matters on which the Common Stock shall be entitled to vote. Holders of Preferred Stock shall be entitled to notice of any stockholders' meeting in accordance with the Bylaws of the Corporation. Fractional votes shall not, however, be permitted and any fractional voting rights resulting from the above formula (after aggregating all shares into which shares of Preferred Stock held by each holder could be converted), shall be disregarded.

(d) ***Common Stock.*** Each holder of Class B Common Stock shall be entitled to ten (10) votes for each share of Class B Common Stock held by such holder as of the applicable record date. Each holder of Class A Common Stock shall be entitled to one (1) vote for each share of Class A Common Stock held by such holder as of the applicable record date. Except as otherwise expressly provided herein or by applicable law, the holders of Class A Common Stock and the holders of Class B Common Stock shall at all times vote together as one class on all matters (including the election of directors) submitted to a vote or for the written consent of the stockholders of the Corporation.

(e) ***Adjustment in Authorized Class A Common Stock, Class B Common Stock and Preferred Stock***. The number of authorized shares of each of the Class A Common Stock, Preferred Stock or any series of Preferred Stock may be increased or decreased (but not below the number of such applicable shares then outstanding) by an affirmative vote of the holders of a majority of the capital stock of the Corporation (voting together as a single class on an as-converted basis), irrespective of the provisions of Section 242(b)(2) of the General Corporation Law and without a separate class vote of the holders of the Common Stock, Preferred Stock or any series of Preferred Stock. The number of authorized shares of Class B Common Stock may not be increased or decreased unless approved by a majority in interest of the outstanding shares of Class B Common Stock and Super Voting Preferred Stock, voting as a single class on an as-converted basis.

(f) ***Equal Treatment in a Liquidation Event or Change of Control***. In connection with any Liquidation Event, shares of Class A Common Stock and Class B Common Stock shall be treated equally, identically and ratably, on a per share basis, with respect to any consideration into which such shares are converted or any consideration paid or otherwise distributed to stockholders of the Corporation.

7. **Notices.** Any notice required by the provisions of this ARTICLE V to be given to the holders of Preferred Stock shall be deemed given if deposited in the United States mail, postage prepaid, and addressed to each holder of record at such holder's address appearing on the books of the Corporation.

The Corporation is to have perpetual existence.

ARTICLE VI

Elections of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

ARTICLE VII

Unless otherwise set forth herein, the number of directors that constitute the Board of Directors of the Corporation shall be fixed by, or in the manner provided in, the Bylaws of the Corporation.

ARTICLE VIII

In furtherance and not in limitation of the powers conferred by statute, the Board of Directors of the Corporation is expressly authorized to adopt, amend or repeal the Bylaws of the Corporation.

ARTICLE IX

1. To the fullest extent permitted by the Delaware General Corporation Law as the same exists or as may hereafter be amended, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for a breach of fiduciary duty as a director. If the Delaware General Corporation Law is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as so amended. Neither any amendment nor repeal of this Section 1, nor the adoption of any provision of this Corporation's Certificate of Incorporation inconsistent with this Section 1, shall eliminate or reduce the effect of this Section 1, in respect of any matter occurring, or any action or proceeding accruing or arising or that, but for this Section 1, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

2. The Corporation shall have the power to indemnify, to the extent permitted by the Delaware General Corporation Law, as it presently exists or may hereafter be amended from time to time, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a "***Proceeding***") by reason of the fact that he or she is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any such Proceeding. A right to indemnification or to advancement of expenses arising under a provision of this Certificate of Incorporation or a bylaw of the Corporation shall not be eliminated or impaired by an amendment to this Certificate of Incorporation or the Bylaws of the Corporation after the occurrence of the act or omission that is the subject of the civil, criminal, administrative or investigative action, suit or proceeding for which indemnification or advancement of expenses is sought, unless the provision in effect at the time of such act or omission explicitly authorizes such elimination or impairment after such action or omission has occurred.

ARTICLE X

Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws may provide. The books of the Corporation may be kept (subject to any provision contained in the statutes) outside of the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the Corporation.

Exhibit 3.1

NOTE AND WARRANT PURCHASE AGREEMENT

This Note Purchase Agreement, dated as of April 30, 2019 (this "**Agreement**"), is entered into by and among Knightscope, Inc., a Delaware corporation (the "**Company**"), and Proud Ventures KS LLC, a New Jersey limited liability company (the "**Investor**").

RECITALS

A. On the terms and subject to the conditions set forth herein, each Investor is willing to purchase from the Company, and the Company is willing to sell to the Investor, an unsecured subordinated convertible promissory note in the principal amount set forth opposite such Investor's name on **Schedule I** hereto, together with a related warrant to acquire shares of the Company's capital stock.

B. Capitalized terms not otherwise defined herein shall have the meaning set forth in the form of Note (as defined below) attached hereto as **Exhibit A**.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing, and the representations, warranties, and conditions set forth below, the parties hereto, intending to be legally bound, hereby agree as follows:

1. ***The Notes and Warrants***.

(a) *Issuance of Notes*. Subject to all of the terms and conditions hereof, the Company agrees to issue and sell to the Investor, and the Investor agrees to purchase, a subordinated convertible promissory note in the form of **Exhibit A** hereto (each, a "**Note**" and, collectively, the "**Notes**") in the principal amount of $430,000 (the "**First Note Purchase**"). The Investor has the right but not the obligation to purchase up to an additional $14,570,000 principal amount of Notes in one or more Additional Closings as described in Section 1(c).

(b) *Issuance of Warrants*. Concurrently with the issuance of the Notes to the Investor, the Company will issue to each Investor a warrant in the form attached hereto as **Exhibit B** (each, a "**Warrant**" and, collectively, the "**Warrants**"), for no additional consideration, to purchase up to a number of shares of Series S Preferred Stock equal to the number of shares set forth opposite Investor's name on **Schedule I** hereto. At each Additional Closing (as defined below), the Company will issue to Investor a Warrant to purchase up to a number of shares of Series S Preferred Stock equal to the principal amount of the respective Investor's Note purchased in the respective Additional Closing divided by 5 (rounded down to the nearest whole number), subject to appropriate adjustment in the event of a subdivision or combination of shares of Series S Preferred Stock, similar to the adjustments described in Section 5 of the Note.

(c) *Closings and Delivery*. The sale and purchase of the First Note Purchase and Warrants shall take place at a closing (the "**Closing**") to be held at such place the Company and the Investor may determine (the "**Closing Date**") on or before the date hereof. At the Closing, the Company will deliver to the Investor the Note and Warrant to be purchased by the Investor, against receipt by the Company of the corresponding purchase price set forth on **Schedule I** hereto (the "**Purchase Price**"), which equals the principal amount of the Note. At one or more additional closings (the "**Additional Closings**") , the Investor may purchase Notes for such aggregate principal amounts as remain available pursuant to Section 1(a) (the "**Additional Available Principal**"); *provided that* the Company may terminate such right to purchase additional Notes with written notice to the Investor (the "**Termination Notice**"). The Investor will have thirty (30) calendar days after receiving the Termination Notice to purchase Notes and Warrants hereunder in any principal amount up to the balance of the Additional Available Principal. The period during which the Investor in entitled purchase Notes hereunder is the "**Purchase Period**." At each Additional Closing, the Company will deliver to the Investor the Note and Warrant to be purchased by the Investor, against receipt by the Company of the corresponding Purchase Price (which will equal the principal amount of the Note then being purchased). Each of the Notes and Warrants will be registered in the Investor's name in the Company's records.

(d) *Use of Proceeds*. The proceeds of the sale and issuance of the Notes shall be used for general corporate purposes.

(e) *Payments*. The Company will make all cash payments due under the Notes in immediately available funds by 1:00 p.m. pacific time on the date such payment is due at the address for such purpose specified below each Investor's name on **Schedule I** hereto, or at such other address, or in such other manner, as an Investor or other registered holder of a Note may from time to time direct in writing.

(f) *Recapitalization*. The Company shall exchange the shares of Series m-3 Preferred Stock held by Purchaser for shares of the Company's newly created shares of Series m-4 Preferred Stock (which shall have a senior liquidation preference of 2x times the original issue price of $3.50, accruing 12% dividends payable in shares of Series m-4 Preferred Stock) within thirty (30) days of the date when Purchaser has purchased at least one million ($1,000,000) of Notes hereunder.

(g) *Exclusive Offering.* Without the prior written consent of Proud Ventures KS LLC, subject to the participation rights of the Company's existing stockholders with preemptive rights, during the shorter of (A) October 31, 2019, and (B) Purchase Period, the Company:

(i) will not issue or sell to any third parties (a) any Notes, or (b) other financings on substantially similar terms; and

(ii) will direct any investor that to its knowledge is looking to purchase notes on substantially the same terms as the Notes offered herein to Proud Ventures KS LLC.

2. ***Representations and Warranties of the Company***. The Company represents and warrants to Investor that the following representations and warranties are and will be true and complete in all material respects as of the date of the applicable Closing and Additional Closing, except as otherwise indicated below, set forth in the Disclosure Schedules delivered at such Closing, or disclosed in the filings of the Company made publicly with the Securities and Exchange Commission (the "***SEC***"). For purposes of this Agreement, an individual shall be deemed to have "knowledge" of a particular fact or other matter if such individual is actually aware of such fact.

(a) Organization, Good Standing and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company has the requisite corporate power and authority to own and operate its properties and assets, to carry on its business as presently conducted, to execute and deliver the Transaction Document and to perform its obligations pursuant to the Transaction Documents and the Restated Certificate. The Company is presently qualified to do business as a foreign corporation in each jurisdiction where the failure to be so qualified could reasonably be expected to have a material adverse effect on the Company's financial condition or business as now conducted (a "**Material Adverse Effect**").

(b) Authorization. All corporate action on the part of the Company and its directors, officers and stockholders necessary for the authorization, execution and delivery of this Agreement by the Company and the authorization, sale, issuance and delivery of the Transaction Document has been taken or will be taken before the Closing and Additional Closings. This Agreement and each of the other Transaction Documents, when executed and delivered by the Company, shall constitute the valid and binding obligation of the Company, enforceable in accordance with its terms, except (i) as limited by laws of general application relating to bankruptcy, insolvency and the relief of debtors (other than usury), and (ii) as limited by rules of law governing specific performance, injunctive relief or other equitable remedies and by general principles of equity.

(c) Financial Statements. Complete copies of the Company's consolidated financial statements consisting of the balance sheets of the Company as of June 30, 2018 and the related statements of operations, stockholders' equity and cash flows for the applicable annual period then ended (the "**Financial Statements**") have been made available to Investor and appear through EDGAR or, in the case of Financial Statements dated as of June 30, 2018, the Semiannual Report on Form 1-SA filed with the SEC, in each case as amended. The Financial Statements are based on the books and records of the Company and fairly present, in all material respects, the consolidated financial condition of the Company as of the respective dates they were prepared and the results of the operations and cash flows of the Company for the periods indicated. Ernst & Young, which has audited the Financial Statements, is an independent accounting firm within the rules and regulations adopted by the SEC.

(d) Compliance with Other Instruments. The Company is not in violation of any material term of its Restated Certificate or bylaws, each as amended to date, or, to the Company's knowledge, in any material respect of any term or provision of any material mortgage, indebtedness, indenture, contract, agreement, instrument, judgment, order or decree to which it is party or by which it is bound which would have a Material Adverse Effect. To the Company's knowledge, the Company is not in violation of any federal or state statute, rule or regulation applicable to the Company the violation of which would have a Material Adverse Effect. The execution and delivery of this Agreement by the Company, the performance by the Company of its obligations pursuant to this Agreement, and the entry into the Transaction Document, will not result in any material violation of, or materially conflict with, or constitute a material default under, the Company's Restated Certificate or bylaws, each as amended to date, or any of its agreements, nor, to the Company's knowledge, result in the creation of any material mortgage, pledge, lien, encumbrance or charge upon any of the properties or assets of the Company.

(e) Litigation. To the Company's knowledge, there are no actions, suits, proceedings or investigations pending against the Company or its properties (nor has the Company received written notice of any threat thereof) before any court or governmental agency that questions the validity of the Agreements or the right of the Company to enter into them, or the right of the Company to perform its obligations contemplated thereby, or that, either individually or in the aggregate, if determined adversely to the Company, would or could reasonably be expected to have a Material Adverse Effect or result in any change in the current equity ownership of the Company. The Company is not a party or subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality.

(f) No "Bad Actor" Disqualification. The Company has exercised reasonable care, in accordance with Securities and Exchange Commission rules and guidance, to determine whether any Covered Person (as defined below) is subject to any of the "bad actor" disqualifications described in Rule 506(d)(1)(i) through (viii) under the Securities Act ("**Disqualification Events**"). To the Company's knowledge, no Covered Person is subject to a Disqualification Event, except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3) under the Securities Act. The Company has complied, to the extent applicable, with any disclosure obligations under Rule 506(e) under the Securities Act. "**Covered Persons**" are those persons specified in Rule 506(d)(1) under the Securities Act, including the Company; any predecessor or affiliate of the Company; any director, executive officer, other officer participating in the offering, general partner or managing member of the Company; any beneficial owner of 20% or more of the Company's outstanding voting equity securities, calculated on the basis of voting power; any promoter (as defined in Rule 405 under the Securities Act) connected with the Company in any capacity at the time of the sale of the Notes and the Warrants; and any person that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of the Notes and the Warrants (a "**Solicitor**"), any general partner or managing member of any Solicitor, and any director, executive officer or other officer participating in the offering of any Solicitor or general partner or managing member of any Solicitor.

(g) Borrowing Representation. The Company has the capacity to protect its own interests in the transactions set forth in the Transaction Documents.

3. ***Representations and Warranties of Investors***. The Investor represents and warrants to the Company upon the acquisition of a Note and Warrant as follows at the Closing and each Additional Closing, if any:

(a) *Binding Obligation*. The Investor has full legal capacity, power and authority to execute and deliver this Agreement and to perform its obligations hereunder. This Agreement and the Transaction Documents constitute valid and binding obligations of such Investor, enforceable in accordance with their terms, except as limited by bankruptcy, insolvency or other laws of general application relating to or affecting the enforcement of creditors' rights generally and general principles of equity.

(b) *Securities Law Compliance*. The Investor has been advised that the Notes, the Warrants and the underlying securities have not been registered under the Securities Act, or any state securities laws and, therefore, cannot be resold unless they are registered under the Securities Act and applicable state securities laws or unless an exemption from such registration requirements is available. The Investor is aware that the Company is under no obligation to effect any such registration with respect to the Notes, the Warrants or the underlying securities or to file for or comply with any exemption from registration. Such Investor has not been formed solely for the purpose of making this investment and is purchasing the Notes or Warrants to be acquired by such Investor hereunder for its own account for investment, not as a nominee or agent, and not with a view to, or for resale in connection with, the distribution thereof, and Investor has no present intention of selling, granting any participation in, or otherwise distributing the same. The Investor has such knowledge and experience in financial and business matters that such Investor is capable of evaluating the merits and risks of such investment, is able to incur a complete loss of such investment without impairing such Investor's financial condition and is able to bear the economic risk of such investment for an indefinite period of time. Such Investor is an accredited investor as such term is defined in Rule 501 of Regulation D under the Securities Act and shall submit to the Company such further assurances of such status as may be reasonably requested by the Company. The Investor has furnished or made available any and all information requested by the Company or otherwise necessary to satisfy any applicable verification requirements as to accredited investor status. Any such information is true, correct, timely and complete. The residency of the Investor (or, in the case of a partnership or corporation, such entity's principal place of business) is correctly set forth beneath such Investor's name on **Schedule I** hereto.

(c) *Access to Information*. The Investor acknowledges that the Company has given the Investor access to the corporate records and accounts of the Company and to all information in its possession relating to the Company, has made its officers and representatives available for interview by the Investor, and has furnished such Investor with all documents and other information required for the Investor to make an informed decision with respect to the purchase of the Notes and the Warrants.

(d) *Tax Advisors.* The Investor has reviewed with its own tax advisors the U.S. federal, state and local and non-U.S. tax consequences of this investment and the transactions contemplated by this Agreement. With respect to such matters, the Investor relies solely on any such advisors and not on any statements or representations of the Company or any of its agents, written or oral. The Investor understands that it (and not the Company) shall be responsible for its own tax liability that may arise as a result of this investment and the transactions contemplated by this Agreement.

(e) *No "Bad Actor" Disqualification Events.* Neither (i) such Investor, (ii) any of its directors, executive officers, other officers that may serve as a director or officer of any company in which it invests, general partners or managing members, nor (iii) any beneficial owner of any of the Company's voting equity securities (in accordance with Rule 506(d) of the Securities Act) held by such Investor is subject to any Disqualification Event (as defined in Section 2(f)), except for Disqualification Events covered by Rule 506(d)(2) or (d)(3) under the Securities Act and disclosed reasonably in advance of the Closing in writing in reasonable detail to the Company.

4. ***Conditions to Closing of the Investors***. The Investor's obligations at the Closing are subject to the fulfillment, on or prior to the Closing Date, of all of the following conditions, any of which may be waived in whole or in part by all of the Investors:

(a) *Representations and Warranties*. The representations and warranties made by the Company in **Section 2** hereof shall have been true and correct when made, and shall be true and correct on the Closing Date and at the Additional Closings.

(b) *Governmental Approvals and Filings*. Except for any notices required or permitted to be filed after the Closing Date with certain federal and state securities commissions, the Company shall have obtained all governmental approvals required in connection with the lawful sale and issuance of the Notes and Warrants.

(c) *Legal Requirements*. At the Closing, the sale and issuance by the Company, and the purchase by the Investors, of the Notes and Warrants shall be legally permitted by all laws and regulations to which the Investors or the Company are subject.

(d) *Proceedings and Documents*. All corporate and other proceedings in connection with the transactions contemplated at the Closing and all documents and instruments incident to such transactions shall be reasonably satisfactory in substance and form to the Investors.

(e) *Transaction Documents*. The Company shall have duly executed and delivered to the Investors the following documents:

(i) This Agreement; and

(ii) Each Note and Warrant issued hereunder;

5. ***Conditions to Additional Closings of the Investors***. Investor's participating in an Additional Closing, which is optional at the election of the Investor, is subject to the fulfillment, on or prior to the applicable Additional Closing Date, of all of the following conditions, any of which may be waived in whole or in part by all of the Investors participating in such Additional Closing:

(a) *Representations and Warranties*. Subject to the Disclosure Schedule, including any update thereto delivered to the Investor prior to or at the time the Investor executes this Agreement, the representations and warranties made by the Company in **Section 2** hereof shall be true and correct in all material respects on the applicable Additional Closing Date, which upon the prior request of Investor, the Company will confirm to the Investor in a written certificate at the Additional Closing.

(b) *Governmental Approvals and Filings*. Except for any notices required or permitted to be filed after the Additional Closing Date with certain federal and state securities commissions, the Company shall have obtained all governmental approvals required in connection with the lawful sale and issuance of the Notes and Warrants at such Additional Closing.

(c) *Legal Requirements*. At the Additional Closing, the sale and issuance by the Company, and the purchase by the Investor of the Notes and Warrants shall be legally permitted by all laws and regulations to which the Investor or the Company is subject.

(d) *Transaction Documents*. The Company shall have duly executed and delivered to the Investor in such Additional Closing each Note and Warrant to be issued at such Additional Closing and shall have delivered to the Investor fully executed copies, if applicable, of all documents delivered to the Investors participating in the initial Closing.

6. ***Conditions to Obligations of the Company***. The Company's obligation to issue and sell the Notes at the Closing and at each Additional Closing is subject to the fulfillment, on or prior to the Closing Date or the applicable Additional Closing Date, of the following conditions, any of which may be waived in whole or in part by the Company:

(a) *Representations and Warranties*. The representations and warranties made by the Investor in **Section 3** hereof shall be true and correct when made, and shall be true and correct on the Closing Date and the applicable Additional Closing Date.

(b) *Governmental Approvals and Filings*. Except for any notices required or permitted to be filed after the Closing Date or the applicable Additional Closing Date with certain federal and state securities commissions, the Company shall have obtained all governmental approvals required in connection with the lawful sale and issuance of the Notes.

(c) *Legal Requirements*. At the Closing and at each Additional Closing, the sale and issuance by the Company, and the purchase by the Investor, of the Notes shall be legally permitted by all laws and regulations to which such Investors or the Company are subject.

(d) *Purchase Price*. The Investor shall have delivered to the Company the Purchase Price in respect of the Note and Warrant being purchased by such Investor referenced in **Section 1(b)** hereof.

7. ***Miscellaneous***.

(a) *Waivers and Amendments*. Any provision of this Agreement, and the Notes may be amended, waived or modified only upon the written consent of the Company and the Investor. Such amendment shall take effect at the Additional Closing and such party shall thereafter be deemed an "Investor" for all purposes hereunder and **Schedule I** hereto shall be updated to reflect the addition of such Investor.

(b) *Governing Law*. This Agreement and all actions arising out of or in connection with this Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the conflicts of law provisions of the State of Delaware or of any other state.

(c) *Survival*. The representations, warranties, covenants and agreements made herein shall survive the execution and delivery of this Agreement.

(d) *Successors and Assigns*. Subject to the restrictions on transfer described in **Sections 7(e)** and **7(f)** below, the rights and obligations of the Company and the Investors shall be binding upon and benefit the successors, assigns, heirs, administrators and transferees of the parties.

(e) *Registration, Transfer and Replacement of the Notes*. The Notes issuable under this Agreement shall be registered notes. The Company will keep, at its principal executive office, books for the registration and registration of transfer of the Notes. Prior to presentation of any Note for registration of transfer, the Company shall treat the Person in whose name such Note is registered as the owner and holder of such Note for all purposes whatsoever, whether or not such Note shall be overdue, and the Company shall not be affected by notice to the contrary. Subject to any restrictions on or conditions to transfer set forth in any Note, the holder of any Note, at its option, may in person or by duly authorized attorney surrender the same for exchange at the Company's chief executive office, and promptly thereafter and at the Company's expense, except as provided below, receive in exchange therefor one or more new Note(s), each in the principal requested by such holder, dated the date to which interest shall have been paid on the Note so surrendered or, if no interest shall have yet been so paid, dated the date of the Note so surrendered and registered in the name of such Person or Persons as shall have been designated in writing by such holder or its attorney for the same principal amount as the then unpaid principal amount of the Note so surrendered. Upon receipt by the Company of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any Note and (a) in the case of loss, theft or destruction, of indemnity reasonably satisfactory to it; or (b) in the case of mutilation, upon surrender thereof, the Company, at its expense, will execute and deliver in lieu thereof a new Note executed in the same manner as the Note being replaced, in the same principal amount as the unpaid principal amount of such Note and dated the date to which interest shall have been paid on such Note or, if no interest shall have yet been so paid, dated the date of such Note.

(f) *Assignment by the Company*. The rights, interests or obligations hereunder may not be assigned, by operation of law or otherwise, in whole or in part, by the Company without the prior written consent the Investor.

(g) *Entire Agreement*. This Agreement together with the other Transaction Documents constitute and contain the entire agreement among the Company and Investor and supersede any and all prior agreements, negotiations, correspondence, understandings and communications among the parties, whether written or oral, respecting the subject matter hereof.

(h) *Notices*. All notices, requests, demands, consents, instructions or other communications required or permitted hereunder shall in writing and faxed, mailed or delivered to each party as follows: (i) if to the Investor, at the Investor's address, facsimile number or electronic mail address set forth in the Schedule of Investors attached as **Schedule I**, or at such other address as the Investor shall have furnished the Company in writing, or (ii) if to the Company, at 1070 Terra Bella Avenue, Mountain View, CA 94043, or at such other address or telephone number as the Company shall have furnished to the Investors in writing. All such notices and communications will be deemed effectively given the earlier of (i) when received, (ii) when delivered personally, (iii) one business day after being delivered by facsimile (with receipt of appropriate confirmation), (iv) one business day after being deposited with an overnight courier service of recognized standing, (v) four days after being deposited in the U.S. mail, first class with postage prepaid.

(i) *Separability of Agreements; Severability of this Agreement*. . If any provision of this Agreement or any other Transaction Document shall be judicially determined to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(j) *Counterparts*. This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same agreement. Facsimile copies of signed signature pages will be deemed binding originals.

(k) *Company's Covenant.* The Company covenants and agrees that it will not raise usury as a defense or reason not to pay, observe or perform any of its obligations under the Transaction Documents.

(Signature Page Follows)

The parties have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the date and year first written above.

COMPANY:

KNIGHTSCOPE, INC.
a Delaware corporation

By: /s/ William Santana Li
Name: William Santana Li
Title: Chairman and Chief Executive Officer

[Signature page for Note Purchase Agreement]

The parties have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the date and year first written above.

INVESTOR:

PROUD VENTURES KS LLC

By: /s/ Andrew Brown
Name: Andrew Brown
Title: Managing Member

[Signature page for Note Purchase Agreement]

SCHEDULE I

SCHEDULE OF INVESTORS

[REDACTED]

Exhibit A

FORM OF NOTE

Exhibit B

FORM OF WARRANT

Exhibit 3.2

THIS NOTE AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**ACT**"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

KNIGHTSCOPE, INC.

SUBORDINATED CONVERTIBLE PROMISSORY NOTE

$430,000 April 30, 2019

FOR VALUE RECEIVED, Knightscope, Inc., a Delaware corporation (the "**Company**") promises to pay to Proud Ventures KS, LLC, or its registered assigns ("**Investor**"), in lawful money of the United States of America the principal sum of four hundred thirty thousand Dollars ($430,000), or such lesser amount as shall equal the outstanding principal amount hereof, together with interest from the date of this Subordinated Convertible Promissory Note (this "**Note**") on the unpaid principal balance at a rate equal to 12% per annum, computed on the basis of the actual number of days elapsed and a year of 365 days. All unpaid principal, together with any then unpaid and accrued interest and other amounts payable hereunder, shall be due and payable on the earlier of (i) January 1, 2022 (the "**Maturity Date**"), or (ii) when, upon the occurrence and during the continuance of an Event of Default, such amounts are declared due and payable by Investor or made automatically due and payable, in each case, in accordance with the terms hereof. This Note is one of the "Notes" issued pursuant to the Purchase Agreement.

The following is a statement of the rights of Investor and the conditions to which this Note is subject, and to which Investor, by the acceptance of this Note, agrees:

1. ***Payments***.

(a) *Interest*. All accrued and unpaid interest on this Note shall be added to the outstanding principal amount of this Note on the first day of each calendar year. Interest will continue to accrue as provided hereunder during any period when any amounts are due and payable hereunder but remain unpaid (including delays relating to default or subordination).

(b) *Voluntary Prepayment*. This Note may not be prepaid without the written consent of the Investor.

2. ***Events of Default***. The occurrence of any of the following shall constitute an "**Event of Default**" under this Note and the other Transaction Documents:

(a) *Failure to Pay*. The Company shall fail to pay (i) when due any principal payment on the due date hereunder or (ii) any interest payment or other payment required under the terms of this Note or any other Transaction Document on the date due and such payment shall not have been made within five (5) business days of the Company's receipt of written notice to the Company of such failure to pay; or

(b) *Breaches of Covenants.* The Company shall fail to observe or perform any other covenant, obligation, condition or agreement contained in this Note or the other Transaction Documents and such failure shall continue for ten (10) business days after the Company's receipt of written notice to the Company of such failure; or

(c) *Other Payment Obligations.* Material defaults, after the expiration of any applicable notice or cure period, shall exist under any agreements of the Company with any third party or parties which consists of the failure to pay any indebtedness for borrowed money at maturity or which results in a right by such third party or parties, whether or not exercised, to accelerate the maturity of such indebtedness for borrowed money of the Company, in each case, in an aggregate amount in excess of One Hundred Thousand Dollars ($100,000); or

(d) *Representations and Warranties.* Any representation, warranty, certificate, or other statement (financial or otherwise) made or furnished by or on behalf of the Company to Investor in writing in connection with this Note or any of the other Transaction Documents, or as an inducement to Investor to enter into this Note and the other Transaction Documents, shall be false, incorrect, incomplete or misleading in any material respect when made or furnished; or

(e) *Voluntary Bankruptcy or Insolvency Proceedings.* The Company shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator or custodian of itself or of all or a substantial part of its property, (ii) admit in writing its inability to pay its debts generally as they mature, (iii) make a general assignment for the benefit of its or any of its creditors, (iv) be dissolved or liquidated, (v) commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or consent to any such relief or to the appointment of or taking possession of its property by any official in an involuntary case or other proceeding commenced against it, or (vi) take any action for the purpose of effecting any of the foregoing; or

(f) *Involuntary Bankruptcy or Insolvency Proceedings.* Proceedings for the appointment of a receiver, trustee, liquidator or custodian of the Company, or of all or a substantial part of the property thereof, or an involuntary case or other proceedings seeking liquidation, reorganization or other relief with respect to the Company or any of its subsidiaries, if any, or the debts thereof under any bankruptcy, insolvency or other similar law now or hereafter in effect shall be commenced and an order for relief entered or such proceeding shall not be dismissed or discharged within 45 days of commencement.

3. ***Rights of Investor upon Default***. Upon the occurrence of any Event of Default and at any time thereafter during the continuance of such Event of Default, Investor may, by written notice to the Company, declare all outstanding Obligations, together with a premium equal to one hundred percent (100%) of the outstanding principal amount to be repaid, payable by the Company hereunder to be immediately due and payable without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein or in the other Transaction Documents to the contrary notwithstanding. In addition to the foregoing remedies, upon the occurrence and during the continuance of any Event of Default, Investor may exercise any other right, power or remedy granted to it by the Transaction Documents or otherwise permitted to it by law, either by suit in equity or by action at law, or both. The Company will use commercially reasonable effort to, promptly after the occurrence of any Event of Default, notify the Investor as to the occurrence of such Event of Default.

4. ***Conversion***.

(a) *Automatic Conversion.* If a Qualified Financing occurs on or prior to December 31, 2019, then the outstanding principal amount of this Note and all accrued and unpaid interest on this Note shall automatically convert into a number of fully paid and nonassessable shares of the Series S Preferred Stock issued in such Qualified Financing equal to the outstanding principal amount of this Note, together with accrued and unpaid interest thereon, divided by the Conversion Price.

(b) *Automatic Conversion upon an Initial Public Offering.* If either (i) an Initial Public Offering occurs before a Qualified Financing during 2019, or (ii) if no Qualified Financing occurs and an Initial Public Offering occurs after 2019 but prior to conversion of this Note pursuant to Section 4(d) or payment in full of the principal and all accrued but unpaid interest of this Note, then upon the occurrence of the Initial Public Offering the outstanding principal amount of this Note and all accrued and unpaid interest on this Note shall automatically convert into a number of fully paid and nonassessable shares of the Company's Class A Common Stock equal to the outstanding principal amount of this Note, together with accrued and unpaid interest thereon, divided by the applicable IPO Conversion Price in effect at the time of the Initial Public Offering.

(c) *Conversion or Acceleration upon a Change of Control*. If a Change of Control occurs prior to a Qualified Financing or Initial Public Offering or conversion of this Note pursuant to Section 4(d), and prior to the payment in full of the principal amount of this Note, then the outstanding principal amount of this Note and all accrued and unpaid interest on this Note, together with a premium equal to one hundred percent (100%) of the outstanding principal amount to be repaid, will, at Investor's election in writing prior to the occurrence of the Change of Control, either (i) convert into a number of shares of the Company's Class A Common Stock (or other consideration for the change in control to be received by Company stockholders) equal to the sum of the outstanding principal amount of this Note, together with accrued and unpaid interest thereon and together with a premium equal to one hundred percent (100%) of the outstanding principal amount to be repaid, divided by the IPO Conversion Price in effect at the time of the Change of Control; or (ii) be deemed to mature, in which circumstance the outstanding principal amount of this Note and all accrued and unpaid interest thereon, together with a premium equal to one hundred percent (100%) of the outstanding principal amount to be repaid, shall be paid to Investor immediately.

(d) *Optional Conversion by the Investor*. Beginning January 1, 2020, the Investor may at its option convert the outstanding the outstanding principal of this Note, together with all accrued and unpaid interest on the Note, into fully paid and nonassessable shares of the Company's Class A Common Stock equal to the outstanding principal amount of this Note, together with accrued and unpaid interest thereon, divided by the applicable IPO Conversion Price in effect at the time of the Investor's election to convert.

(e) *Conversion Procedure.*

(i) Conversion Pursuant to Section 4(a). If this Note is to be automatically converted in accordance with **Section 4(a)**, written notice shall be delivered to Investor at the address last shown on the records of the Company for Investor or given by Investor to the Company for the purpose of notice, notifying Investor of the conversion to be effected, specifying the Conversion Price or Adjusted Conversion Price, as applicable, the principal amount of the Note to be converted, together with all accrued and unpaid interest, the date on which such conversion is expected to occur and calling upon such Investor to surrender to the Company, in the manner and at the place designated, the Note. Upon such conversion of this Note, Investor hereby agrees to execute and deliver to the Company, and shall be bound upon such conversion by the obligations in, all transaction documents entered into by other purchasers participating in the Qualified Financing, including a purchase agreement, an investor rights agreement and other ancillary agreements, with customary representations and warranties and transfer restrictions (including, without limitation, a 180-day lock-up agreement in connection with an initial public offering); provided, however, that Investor will have an opportunity to modify or delete any provisions of these transaction documents as it applies to Investor that are not customary or that apply particularly to the other purchasers participating in the Qualified Financing. Investor also agrees to deliver the original of this Note (or a notice to the effect that the original Note has been lost, stolen or destroyed and an agreement acceptable to the Company whereby the holder agrees to indemnify the Company from any loss incurred by it in connection with this Note) at the closing of the Qualified Financing for cancellation; *provided, however*, that upon the closing of the Qualified Financing, the closing of a Change of Control transaction or the maturity of this Note, this Note shall be deemed converted and of no further force and effect, whether or not it is delivered for cancellation as set forth in this sentence. The Company shall, as soon as practicable thereafter, issue and deliver to such Investor a certificate or certificates (or a notice of issuance of uncertified shares, if applicable) for the number of shares to which Investor shall be entitled upon such conversion, including a check payable to Investor for any cash amounts payable as described in **Section 4(d)(iii)**. Any conversion of this Note pursuant to **Section 4(a)** shall be deemed to have been made immediately prior to the closing of the Qualified Financing and on and after such date the Persons entitled to receive the shares issuable upon such conversion shall be treated for all purposes as the record holder of such shares.

(ii) Conversion Pursuant to Section 4(b) or Section 4(c) or Section 4(d). Before Investor shall be entitled to convert this Note into the applicable shares of the Company's stock in accordance with **Section 4(b), Section 4(c) or Section 4(d)** , it shall surrender this Note (or a notice to the effect that the original Note has been lost, stolen or destroyed and an agreement acceptable to the Company whereby the holder agrees to indemnify the Company from any loss incurred by it in connection with this Note) and give written notice to the Company at its principal corporate office of the election to convert the same pursuant to **Section 4(b)** through **Section 4(d)**, and shall state therein the outstanding principal amount of this Note, and accrued and unpaid interest thereon, to be converted. Upon such conversion of this Note, Investor hereby agrees to execute and deliver to the Company, and shall be bound upon such conversion by the obligations in, all transaction documents entered into by other purchasers of the relevant securities (as may be amended), including any purchase agreement, investor rights agreement and other ancillary agreements, as applicable, with customary representations and warranties and transfer restrictions (including, without limitation, a 180-day lock-up agreement in connection with an initial public offering); provided, however, that Investor will have an opportunity to modify or delete any provisions of these transaction documents as it applies to Investor that are not customary or that apply particularly to the other purchasers participating in the Qualified Financing . The Company shall, as soon as practicable thereafter, issue and deliver to such Investor a certificate or certificates (or a notice of issuance of uncertificated shares, if applicable) for the number of shares to which Investor shall be entitled upon such conversion, including a check payable to Investor for any cash amounts payable as described in **Section 4(e)(iii)**. Any conversion of this Note pursuant to **Section 4(b)** or **Section 4(c) or Section 4(d)** shall be deemed to have been made upon the satisfaction of all of the conditions set forth in this **Section 4(e)(ii)** and on and after such date the Persons entitled to receive the shares issuable upon such conversion shall be treated for all purposes as the record holder of such shares, whereupon this Note shall be deemed converted and of no further force and effect.

(iii) Fractional Shares; Interest; Effect of Conversion. No fractional shares shall be issued upon conversion of this Note. In lieu of the Company issuing any fractional shares to the Investor upon the conversion of this Note, the Company shall pay to Investor an amount equal to the product obtained by multiplying the applicable conversion price by the fraction of a share not issued pursuant to the previous sentence. In addition, to the extent not converted into shares of capital stock, the Company shall pay to Investor any interest accrued on the amount converted and on the amount to be paid by the Company pursuant to the previous sentence. Upon conversion of this Note in full and the payment of the amounts specified in this paragraph, the Company shall be forever released from all its obligations and liabilities under this Note and this Note shall be deemed of no further force or effect, whether or not the original of this Note has been delivered to the Company for cancellation.

5. ***Subdivisions and Combinations.*** In the event that the outstanding shares of Series S Preferred Stock for the purpose of a conversion pursuant to Section 4(a), or outstanding shares of Common Stock for the purpose of a conversion pursuant to Section 4(b) or Section (c) or Section 4(d), are subdivided (by stock split, by payment of a stock dividend or otherwise) into a greater number of shares of such securities, the dollar amounts for the conversion prices set forth in the "IPO Conversion Price" definition and in the "Conversion Price" definition shall, concurrently with the effectiveness of such subdivision, be proportionately decreased; and in the event that the outstanding shares of Series S Preferred Stock are combined (by reclassification or otherwise) into a lesser number of shares of such securities, the dollar amounts for the conversion prices set forth in the "IPO Conversion Price" definition and in the "Conversion Price" definition shall, concurrently with the effectiveness of such combination, be proportionately increased.

6. ***Subordination***. The Obligations evidenced by this Note are hereby expressly subordinated, only to the extent and in the manner hereinafter set forth, in right of payment to the prior payment in full of all of the Company's Senior Indebtedness.

(a) *Lien Subordination.* Investor subordinates to holders of Senior Indebtedness any security interest or Lien that Investor may have or in the future obtain in any property of the Company. Notwithstanding the respective dates of attachment or perfection of the security interest of Investor and the security interest of holders of Senior Indebtedness, the security interest of holders of Senior Indebtedness in the property of the Company shall at all times be prior to the security interest of Investor. The subordination and priorities set forth in this paragraph are expressly conditioned upon the nonavoidability and perfection of the security interest to which another security interest is subordinated, and if the security interest to which another security interest is subordinated is not perfected or is avoidable, for any reason, then the subordinations and relative priority provided for in this paragraph shall not be effective as to the particular property that is the subject of the unperfected or avoidable security interest.

(b) *Payment Subordination.* All Obligations are subordinated in right of payment to all obligations of the Company to holders of Senior Indebtedness now existing or hereafter arising. Investor will not demand or receive from the Company (and the Company will not pay to Investor) all or any part of the Obligations, by way of payment, prepayment, setoff, lawsuit or otherwise, nor will Investor exercise any remedy with respect to any collateral securing Senior Indebtedness, nor will Investor commence, or cause to commence, prosecute or participate in any administrative, legal or equitable action against the Company, for so long as any Senior Indebtedness remains outstanding. Notwithstanding the foregoing, the Investor shall be entitled to receive (i) equity securities of the Company from the conversion of all or any part of the Obligations and payments of cash in lieu of issuing fractional shares in connection with any such conversions, (ii) any note, instrument or other evidence of indebtedness which may be issued by the Company in exchange for or in substitution of this Note, provided that such note, instrument or other evidence of indebtedness is subordinated to the Senior Indebtedness on the same terms and conditions as set forth in this **Section 6** and (iii) other payments consented to in writing by holders of Senior Indebtedness.

(c) *Turnover.* In the event of the Company's insolvency, reorganization or any case or proceeding under any bankruptcy or insolvency law or laws relating to the relief of debtors or if the Company is in material default with respect to any Senior Indebtedness, Investor shall, to the extent required by law, promptly deliver to holders of Senior Indebtedness in the form received (except for endorsement or assignment by Investor where required by holders of Senior Indebtedness) for application to the Senior Indebtedness any payment, distribution, security or proceeds received by Investor with respect to the Obligations other than payments or distributions described in clauses (i) through (iii) of Section 6(b) or otherwise in accordance with this **Section 6**.

(d) *Insolvency Proceedings.* In the event of the Company's insolvency, reorganization or any case or proceeding under any bankruptcy or insolvency law or laws relating to the relief of debtors, the provisions of this **Section 6** shall remain in full force and effect, and except as otherwise permitted in this **Section 6**, the Senior Indebtedness shall be paid in full before any payment is made to Investor.

(e) *Reinstatement*. This **Section 6** shall remain effective for so long as the Company owes any amounts under the Senior Indebtedness. If, at any time after payment in full of the Senior Indebtedness any payments of the Senior Indebtedness must be disgorged by holders of Senior Indebtedness for any reason (including, without limitation, the bankruptcy of the Company), this **Section 6** and the relative rights and priorities set forth herein shall be reinstated as to all such disgorged payments as though such payments had not been made and Investor shall immediately pay over to holders of Senior Indebtedness all payments received with respect to the Obligations to the extent that such payments would have been prohibited hereunder. At any time and from time to time, without notice to Investor, holders of Senior Indebtedness may take such actions with respect to the Senior Indebtedness as holders of Senior Indebtedness, in its sole discretion, may deem appropriate that are consistent with and not less favorable than the other provisions of this Note, including, without limitation, terminating advances to the Company, extending the time of payment, increasing applicable interest rates, renewing, compromising or otherwise amending the terms of any documents affecting the Senior Indebtedness and any collateral securing the Senior Indebtedness, and enforcing or failing to enforce any rights against the Company or any other person; provided, however, that holders of Senior Indebtedness may not, without the Investor's consent, increase the amount owed or to be paid under any Senior Indebtedness if such increase were to disqualify such debt from being "Senior Indebtedness" as defined in Section 6. No such action or inaction shall impair or otherwise affect the rights of any holder of Senior Indebtedness hereunder.

(f) *Subrogation*. Subject to the payment in full of all Senior Indebtedness, Investor shall be subrogated to the rights of the holder(s) of such Senior Indebtedness (to the extent of the payments or distributions made to the holder(s) of such Senior Indebtedness pursuant to the provisions of this **Section 6**) to receive payments and distributions of assets of the Company applicable to the Senior Indebtedness. No such payments or distributions applicable to the Senior Indebtedness shall, as between Company and its creditors, other than the holders of Senior Indebtedness and Investor, be deemed to be a payment by Company to or on account of this Note; and for purposes of such subrogation, no payments or distributions to the holders of Senior Indebtedness to which Investor would be entitled except for the provisions of this **Section 6** shall, as between Company and its creditors, other than the holders of Senior Indebtedness and Investor, be deemed to be a payment by Company to or on account of the Senior Indebtedness.

(g) *Further Assurances*. By acceptance of this Note, Investor agrees to execute and deliver customary forms of subordination agreement requested from time to time by holders of Senior Indebtedness, and as a condition to Investor's rights hereunder, the Company may require that Investor execute such forms of subordination agreement; provided that such forms shall not impose on Investor terms inconsistent or less favorable than those provided herein.

(h) *Reliance of Holders of Senior Indebtedness*. Investor, by its acceptance hereof, shall be deemed to acknowledge and agree that the foregoing subordination provisions are, and are intended to be, an inducement to and a consideration of each holder of Senior Indebtedness, whether such Senior Indebtedness was created or acquired before or after the creation of the indebtedness evidenced by this Note, and each such holder of Senior Indebtedness shall be deemed conclusively to have relied on such subordination provisions in acquiring and holding, or in continuing to hold, such Senior Indebtedness.

7. ***Definitions***. As used in this Note, the following capitalized terms have the following meanings:

"**Change of Control**" shall (i) the acquisition of the Company by another entity by means of any transaction or series of related transactions to which the Company is party (including, without limitation, any stock acquisition, reorganization, merger or consolidation but excluding any sale of stock for capital raising purposes) other than a transaction or series of related transactions in which the holders of the voting securities of the Company outstanding immediately prior to such transaction or series of related transactions retain, immediately after such transaction or series of related transactions, as a result of shares in the Company held by such holders prior to such transaction or series of related transactions, at least a majority of the total voting power represented by the outstanding voting securities of the Company or such other surviving or resulting entity (or if the Company or such other surviving or resulting entity is a wholly-owned subsidiary immediately following such acquisition, its parent); or (ii) a sale, lease or other disposition of all or substantially all of the assets of the Company and its subsidiaries taken as a whole by means of any transaction or series of related transactions, except where such sale, lease or other disposition is to a wholly-owned subsidiary of the Corporation.

"**Conversion Price**" shall mean a price per share equal to the lesser of (i) $6.00 per share, subject to adjustment in accordance with Section 5, and (ii) 75% of the lowest cash price per share paid (but not giving effect to any discount granted in connection with the conversion of debt securities) by the other purchasers of the Series S Preferred Stock sold in the Qualified Financing.

"**Event of Default**" has the meaning given in **Section 2** hereof.

"**Initial Public Offering**" shall mean the closing of the Company's first firm commitment underwritten initial public offering of the Company's common stock pursuant to a registration statement filed under the Securities Act.

"**IPO Conversion Price"** shall mean the following price that corresponds to the following time period: (i) on or before June 30, 2020, $4.50 per share; (ii) s after June 30, 2020, but on or before December 31, 2020, $4.00 per share; (iii) after December 31, 2020, but on or before June 30, 2021, $3.50 per share; and (iv) after June 30, 2021. $2.50 per share, in each case subject to adjustment in accordance with Section 5.

"**Investor**" shall mean the Person specified in the introductory paragraph of this Note or any Person who shall at the time be the registered holder of this Note.

"**Investors**" shall mean the investors that have purchased Notes.

"**Lien**" shall mean, with respect to any property, any security interest, mortgage, pledge, lien, claim, charge or other encumbrance.

"Notes" shall mean the unsecured subordinated convertible promissory notes issued pursuant to the Purchase Agreement by the Company.

"**Obligations**" shall mean and include all loans, advances, debts, liabilities and obligations, howsoever arising, owed by the Company to Investor of every kind and description, now existing or hereafter arising under or pursuant to the terms of this Note and the other Transaction Documents, including, all interest, fees, charges, expenses, attorneys' fees and costs and accountants' fees and costs chargeable to and payable by the Company hereunder and thereunder, in each case, whether direct or indirect, absolute or contingent, due or to become due, and whether or not arising after the commencement of a proceeding under Title 11 of the United States Code (11 U. S. C. Section 101 *et seq.*), as amended from time to time (including post-petition interest) and whether or not allowed or allowable as a claim in any such proceeding. Notwithstanding the foregoing, the term "Obligations" shall not include any obligations of the Company under or with respect to any warrants to purchase the Company's capital stock.

"**Person**" shall mean and include an individual, a partnership, a corporation (including a business trust), a joint stock company, a limited liability company, an unincorporated association, a joint venture or other entity or a governmental authority.

"**Purchase Agreement**" shall mean the Note and Warrant Purchase Agreement, dated as of April 30, 2019 (as amended, modified or supplemented), by and among the Company and the Investor (as defined in the Purchase Agreement) party thereto.

"**Qualified Financing**" is a transaction or series of transactions pursuant to which the Company issues and sells exclusively shares of its Series S Preferred Stock for aggregate gross proceeds of at least $15,000,000 on or before December 31, 2019.

"**Securities Act**" shall mean the Securities Act of 1933, as amended.

"**Senior Indebtedness**" shall mean, unless expressly subordinated to the amounts due under this Note , (a) the principal of (and premium, if any), unpaid interest on and amounts reimbursable, fees, expenses, costs of enforcement and other amounts due in connection with, indebtedness for borrowed money of the Company, to banks, commercial finance lenders or other lending institutions regularly engaged in the business of lending money, in each case in existence on and as of the date of this Note, and (b) the principal of (and premium, if any), unpaid interest on and amounts reimbursable, fees, expenses, costs of enforcement and other amounts due in connection with, indebtedness for borrowed money of the Company to any third party incurred after the date of this Note and required by such third party to be on a parity with or senior in right of payment to this Note, up to a total amount not to exceed $10,000,000 with respect to all Notes on a joint basis in the aggregate; provided, however, that other Notes are not Senior Indebtedness .

"**Transaction Documents**" shall mean this Note, each of any other Notes, the Purchase Agreement and the Warrants.

"**Warrants**" shall mean the warrants issued to Investor under the Purchase Agreement.

8. ***Miscellaneous***.

(a) *Successors and Assigns; Transfer of this Note or Securities Issuable on Conversion Hereof; No Transfers to Bad Actors; Notice of Bad Actor Status*.

(i) Subject to the restrictions on transfer described in this **Section 8(a)**, the rights and obligations of the Company and Investor shall be binding upon and benefit the successors, assigns, heirs, administrators and transferees of the parties.

(ii) With respect to any offer, sale or other disposition of this Note or securities into which such Note may be converted, Investor will give written notice to the Company prior thereto, describing briefly the manner thereof, together with a written opinion of Investor's counsel, or other evidence if reasonably satisfactory to the Company, to the effect that such offer, sale or other distribution may be effected without registration or qualification (under any federal or state law then in effect). Upon receiving such written notice and reasonably satisfactory opinion, if so requested, or other evidence, the Company, as promptly as practicable, shall notify Investor that Investor may sell or otherwise dispose of this Note or such securities, all in accordance with the terms of the notice delivered to the Company. If a determination has been made pursuant to this **Section 8(a)** that the opinion of counsel for Investor, or other evidence, is not reasonably satisfactory to the Company, the Company shall so notify Investor promptly after such determination has been made. Each Note thus transferred and each certificate, instrument or book entry representing the securities thus transferred shall bear a legend as to the applicable restrictions on transferability in order to ensure compliance with the Securities Act, unless in the opinion of counsel for the Company such legend is not required in order to ensure compliance with the Securities Act. The Company may issue stop transfer instructions to its transfer agent in connection with such restrictions.

(iii) Subject to **Section 8(a)(ii)**, transfers of this Note shall be registered upon registration books maintained for such purpose by or on behalf of the Company as provided in the Purchase Agreement. Prior to presentation of this Note for registration of transfer, the Company shall treat the registered holder hereof as the owner and holder of this Note for the purpose of receiving all payments of principal and interest hereon and for all other purposes whatsoever, whether or not this Note shall be overdue and the Company shall not be affected by notice to the contrary.

(iv) Neither this Note nor any of the rights, interests or Obligations hereunder may be assigned, transferred, pledged or otherwise conveyed by operation of law or otherwise, in whole or in part, by the Company without the prior written consent of Investor.

(v) Investor agrees not to sell, assign, transfer, pledge or otherwise dispose of any securities of the Company, or any beneficial interest therein, to any person (other than the Company) unless and until the proposed transferee confirms to the reasonable satisfaction of the Company that neither the proposed transferee nor any of its directors, executive officers, other officers that may serve as a director or officer of any company in which it invests, general partners or managing members nor any person that would be deemed a beneficial owner of those securities (in accordance with Rule 506(d) of the Securities Act) is subject to any of the "bad actor" disqualifications described in Rule 506(d)(1)(i) through (viii) under the Securities Act, except as set forth in Rule 506(d)(2)(ii) or (iii) or (d)(3) under the Securities Act and disclosed, reasonably in advance of the transfer, in writing in reasonable detail to the Company. Investor will promptly notify the Company in writing if Investor or, to Investor's knowledge, any person specified in Rule 506(d)(1) under the Securities Act becomes subject to any of the "bad actor" disqualifications described in Rule 506(d)(1)(i) through (viii) under the Securities Act.

(b) *Waiver and Amendment.* Any provision of this Note may be amended, waived or modified upon the written consent of the Company and the Investor; provided, however, that no such amendment, waiver or consent shall: (i) reduce the principal amount of this Note without Investor's written consent, or (ii) reduce the rate of interest of this Note without Investor's written consent.

(c) *Notices.* All notices, requests, demands, consents, instructions or other communications required or permitted hereunder shall be in writing and faxed, mailed or delivered to each party at the respective addresses of the parties as set forth in the Purchase Agreement, or at such other address or facsimile number as the Company shall have furnished to Investor in writing. All such notices and communications will be deemed effectively given the earlier of (i) when received, (ii) when delivered personally, (iii) one business day after being delivered by facsimile (with receipt of appropriate confirmation), (iv) one business day after being deposited with an overnight courier service of recognized standing or (v) four days after being deposited in the U.S. mail, first class with postage prepaid. In the event of any conflict between the Company's books and records and this Note or any notice delivered hereunder, the Company's books and records will control absent fraud or error. Subject to the limitations set forth in Delaware General Corporation Law §232(e), Investor consents to the delivery of any notice to stockholders given by the Company under the Delaware General Corporation Law or the Company's certificate of incorporation or bylaws by (i) facsimile telecommunication to any facsimile number for Investor in the Company's records, (ii) electronic mail to any electronic mail address for Investor in the Company's records, (iii) posting on an electronic network together with separate notice to Investor of such specific posting or (iv) any other form of electronic transmission (as defined in the Delaware General Corporation Law) directed to Investor. This consent may be revoked by Investor by written notice to the Company and may be deemed revoked in the circumstances specified in Delaware General Corporation Law §232.

(d) *Pari Passu Notes.* Investor acknowledges and agrees that the payment of all or any portion of the outstanding principal amount of this Note and all interest hereon shall be *pari passu* in right of payment and in all other respects to any other Notes. In the event Investor receives payments in excess of its *pro rata* share of the Company's payments to the holders of all of the Notes, then Investor shall hold in trust all such excess payments for the benefit of the holders of the other Notes and shall pay such amounts held in trust to such other holders upon demand by such holders.

(e) *Payment.* Unless converted into the Company's equity securities pursuant to the terms hereof, payment shall be made in lawful tender of the United States.

(f) *Usury.* In the event any interest is paid on this Note which is deemed to be in excess of the then legal maximum rate, then that portion of the interest payment representing an amount in excess of the then legal maximum rate shall be deemed a payment of principal and applied to the principal of this Note, and if this is adjudicated not to cure the excess, then the interest payment will retroactively be reduced to an amount that will equal the maximum payment permitted by applicable law. Notwithstanding the foregoing, the Company covenants and agrees that it will not raise usury as a defense or other reason not to pay, observe or perform any or all of its Obligations.

(g) *Expenses; Waivers.* If action is instituted to collect or enforce this Note, the Company promises to pay all costs and expenses, including, without limitation, reasonable attorneys' fees and costs, incurred in connection with such action. The Company hereby waives notice of default, presentment or demand for payment, protest or notice of nonpayment or dishonor and all other notices or demands relative to this instrument.

(h) *Governing Law.* This Note and all actions arising out of or in connection with this Note shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the conflicts of law provisions of the State of Delaware, or of any other state.

(i) *Jurisdiction and Venue.* Each of Investor and the Company irrevocably consents to the exclusive jurisdiction of, and venue in, the state courts in the State of Delaware (or in the event of exclusive federal jurisdiction, the courts of the District of Delaware), in connection with any matter based upon or arising out of this Note or the matters contemplated herein, and agrees that process may be served upon them in any manner authorized by the laws of the State of Delaware for such persons.

(j) *Waiver of Jury Trial; Judicial Reference.* By acceptance of this Note, Investor hereby agrees and the Company hereby agrees to waive their respective rights to a jury trial of any claim or cause of action based upon or arising out of this Note or any of the Transaction Documents. If the jury waiver set forth in this paragraph is not enforceable, then any claim or cause of action arising out of or relating to this Note, the Transaction Documents or any of the transactions contemplated therein shall be settled by judicial reference pursuant to California Code of Civil Procedure Section 638 et seq. before a referee sitting without a jury, such referee to be mutually acceptable to the parties or, if no agreement is reached, by a referee appointed by the Presiding Judge of the California Superior Court for Santa Clara County. This paragraph shall not restrict a party from exercising remedies under the Uniform Commercial Code or from exercising pre-judgment remedies under applicable law.

(k) *Tax Withholding*. Notwithstanding any other provision to the contrary, the Company shall be entitled to deduct and withhold from any amounts payable or otherwise deliverable with respect to this Note such amounts as may be required to be deducted or withheld therefrom under any provision of applicable law, and to be provided any necessary tax forms and information, including Internal Revenue Service Form W-9 or appropriate version of IRS Form W-8, as applicable, from each beneficial owner of the Note. To the extent such amounts are so deducted or withheld and paid over to the appropriate taxing authority, such amounts shall be treated for all purposes as having been paid to the person to whom such amounts otherwise would have been paid.

(*Signature Page Follows*)

The Company has caused this Note to be issued as of the date first written above.

KNIGHTSCOPE, INC.
a Delaware corporation

By: /s/ William Santana Li
Name: William Santana Li
Title: Chairman and Chief Executive Officer

[Signature Page to Convertible Promissory Note]

Exhibit 3.3

THIS WARRANT AND THE UNDERLYING SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "***ACT***"), OR UNDER THE SECURITIES LAWS OF ANY STATE. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS IN ACCORDANCE WITH APPLICABLE REGISTRATION REQUIREMENTS OR AN EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE, TRANSFER, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS. THIS WARRANT MUST BE SURRENDERED TO THE COMPANY OR ITS TRANSFER AGENT AS A CONDITION PRECEDENT TO THE SALE, TRANSFER, PLEDGE OR HYPOTHECATION OF ANY INTEREST IN ANY OF THE SECURITIES REPRESENTED HEREBY.

WARRANT TO PURCHASE SHARES OF SERIES S PREFERRED
of
KNIGHTSCOPE, INC.

Dated as of April 30, 2019
Void after the date specified in Section 7

Warrant to Purchase
86,000 Shares of
Series S Preferred Stock
(subject to adjustment)

THIS CERTIFIES THAT, for value received, Proud Ventures KS LLC, or its registered assigns (the "***Holder***"), is entitled, subject to the provisions and upon the terms and conditions set forth herein, to purchase from Knightscope, Inc., a Delaware corporation (the "***Company***"), 86,000 shares of the Company's Series S Preferred Stock, $0.001 par value per share (the "***Shares***"), in the amounts, at such times and at the price per share set forth in Section 1. The term "***Warrant***" as used herein shall include this Warrant and any warrants delivered in substitution or exchange therefor as provided herein. This Warrant is issued in connection with the transactions described in the Note and Warrant Purchase Agreement dated as of or about the date hereof between the Company and Holder (the "***Purchase Agreement***").

The following is a statement of the rights of the Holder and the conditions to which this Warrant is subject, and to which Holder, by acceptance of this Warrant, agrees:

1. Number and Price of Shares; Exercise Period.

(a) ***Number of Shares.*** Subject to any previous exercise of the Warrant, the Holder shall have the right to purchase up to 86,000 Shares, as may be adjusted pursuant hereto, prior to (or in connection with) the expiration of this Warrant as provided in Section 7.

(b) ***Exercise Price.*** The exercise price per Share shall be equal to $4.50, subject to adjustment pursuant hereto (the "***Exercise Price***").

(c) ***Exercise Period.*** This Warrant shall be exercisable, in whole or in part, prior to (or in connection with) the expiration of this Warrant as set forth in Section 7.

2. Exercise of the Warrant.

(a) ***Exercise.*** The purchase rights represented by this Warrant may be exercised at the election of the Holder, in whole or in part, in accordance with Section 1, by:

(i) the tender to the Company at its principal office (or such other office or agency as the Company may designate) of a notice of exercise in the form of **Exhibit A** (the "***Notice of Exercise***"), duly completed and executed by or on behalf of the Holder, together with the surrender of this Warrant; and

(ii) the payment to the Company of an amount equal to (x) the Exercise Price multiplied by (y) the number of Shares being purchased, by wire transfer or certified, cashier's or other check acceptable to the Company and payable to the order of the Company.

(b) ***Net Issue Exercise.*** In lieu of exercising this Warrant pursuant to Section 2(a)(ii), if the fair market value of one Share is greater than the Exercise Price (at the date of calculation as set forth below), the Holder may elect to receive a number of Shares equal to the value of this Warrant (or of any portion of this Warrant being canceled) by surrender of this Warrant at the principal office of the Company (or such other office or agency as the Company may designate) together with a properly completed and executed Notice of Exercise reflecting such election, in which event the Company shall issue to the Holder that number of Shares computed using the following formula:

$$X = \frac{Y (A - B)}{A}$$

Where:

X = The number of Shares to be issued to the Holder

Y = The number of Shares purchasable under this Warrant or, if only a portion of the Warrant is being exercised, the portion of the Warrant being canceled (at the date of such calculation)

A = The fair market value of one Share (at the date of such calculation)

B = The Exercise Price (as adjusted to the date of such calculation)

For purposes of the calculation above, the fair market value of one Share shall be determined by the Board of Directors of the Company, acting in good faith; *provided*, *however*, that:

(i) where a public market exists for the Company's common stock ("***Common Stock***") at the time of such exercise, the fair market value per Share shall be the product of (x) the average of the closing bid and asked prices of the Common Stock or the closing price quoted on the national securities exchange on which the Common Stock is listed as published in the *Wall Street Journal*, as applicable, for the ten (10) trading day period ending five (5) trading days prior to the date of determination of fair market value and (y) the number of shares of Common Stock into which each Share is convertible at the time of such exercise, as applicable; and

(ii) if the Warrant is exercised in connection with the Company's initial public offering of Common Stock, the fair market value per Share shall be the product of (x) the per share offering price to the public of the Company's initial public offering and (y) the number of shares of Common Stock into which each Share is convertible at the time of such exercise, as applicable.

(c) ***Stock Certificates.*** The rights under this Warrant shall be deemed to have been exercised and the Shares issuable upon such exercise shall be deemed to have been issued immediately prior to the close of business on the date this Warrant is exercised in accordance with its terms, and the person entitled to receive the Shares issuable upon such exercise shall be treated for all purposes as the holder of record of such Shares as of the close of business on such date. As promptly as reasonably practicable on or after such date, upon request, the Company shall issue and deliver to the person or persons entitled to receive the same a certificate or certificates for that number of shares issuable upon such exercise. In the event that the rights under this Warrant are exercised in part and have not expired, the Company shall execute and deliver a new Warrant reflecting the number of Shares that remain subject to this Warrant.

(d) ***No Fractional Shares or Scrip.*** No fractional shares or scrip representing fractional shares shall be issued upon the exercise of the rights under this Warrant. All such fractional share to which the Holder would otherwise be entitled are hereby waived.

(e) ***Reservation of Stock.*** The Company agrees during the term the rights under this Warrant are exercisable to take all reasonable action to reserve and keep available from its authorized and unissued shares of Series S Preferred Stock for the purpose of effecting the exercise of this Warrant such number of shares (and shares of Common Stock for issuance on conversion of such shares) as shall from time to time be sufficient to effect the exercise of the rights under this Warrant; and if at any time the number of authorized but unissued shares of Series S Preferred Stock (and shares of Common Stock for issuance on conversion of such shares) shall not be sufficient for purposes of the exercise of this Warrant in accordance with its terms, without limitation of such other remedies as may be available to the Holder, the Company will use reasonable efforts to take such corporate action as may, in the opinion of counsel, be necessary to increase its authorized and unissued shares of its Series S Preferred Stock (and shares of Common Stock for issuance on conversion of such shares) to a number of shares as shall be sufficient for such purposes.

3. **Replacement of the Warrant.** Subject to the receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form and substance to the Company or, in the case of mutilation, on surrender and cancellation of this Warrant, the Company at the expense of the Holder shall execute and deliver, in lieu of this Warrant, a new warrant of like tenor and amount.

4. Transfer of the Warrant.

(a) ***Warrant Register.*** The Company shall maintain a register (the "***Warrant Register***") containing the name and address of the Holder or Holders. Until this Warrant is transferred on the Warrant Register in accordance herewith, the Company may treat the Holder as shown on the Warrant Register as the absolute owner of this Warrant for all purposes, notwithstanding any notice to the contrary. Any Holder of this Warrant (or of any portion of this Warrant) may change its address as shown on the Warrant Register by written notice to the Company requesting a change.

(b) ***Warrant Agent.*** The Company may appoint an agent for the purpose of maintaining the Warrant Register referred to in Section 4(a), issuing the Shares or other securities then issuable upon the exercise of the rights under this Warrant, exchanging this Warrant, replacing this Warrant or conducting related activities.

(c) ***Transferability of the Warrant.*** Subject to the provisions of this Warrant with respect to compliance with the Securities Act of 1933, as amended (the "***Securities Act***") and limitations on assignments and transfers, including without limitation compliance with the restrictions on transfer set forth in Section 5, title to this Warrant may be transferred by endorsement (by the transferor and the transferee executing the assignment form attached as **Exhibit B** (the "***Assignment Form***")) and delivery in the same manner as a negotiable instrument transferable by endorsement and delivery.

(d) ***Exchange of the Warrant upon a Transfer.*** On surrender of this Warrant (and a properly endorsed Assignment Form) for exchange, subject to the provisions of this Warrant with respect to compliance with the Securities Act and limitations on assignments and transfers, the Company shall issue to or on the order of the Holder a new warrant or warrants of like tenor, in the name of the Holder or as the Holder (on payment by the Holder of any applicable transfer taxes) may direct, for the number of shares issuable upon exercise hereof, and the Company shall register any such transfer upon the Warrant Register. This Warrant (and the securities issuable upon exercise of the rights under this Warrant) must be surrendered to the Company or its warrant or transfer agent, as applicable, as a condition precedent to the sale, pledge, hypothecation or other transfer of any interest in any of the securities represented hereby.

(e) ***Minimum Transfer.*** This Warrant may not be transferred in part unless such transfer is to a transferee who, pursuant to such transfer, receives the right to purchase all of the Shares covered by the portion of the Warrant being transferred.

(f) ***Taxes.*** In no event shall the Company be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of any certificate, or a book entry, in a name other than that of the Holder, and the Company shall not be required to issue or deliver any such certificate, or make such book entry, unless and until the person or persons requesting the issue or entry thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid or is not payable.

5. **Restrictions on Transfer of the Warrant and Shares; Compliance with Securities Laws.** By acceptance of this Warrant, the Holder agrees to comply with the following:

(a) ***Restrictions on Transfers.*** This Warrant may not be transferred or assigned in whole or in part without the Company's prior written consent (which shall not be unreasonably withheld), and any attempt by Holder to transfer or assign any rights, duties or obligations that arise under this Warrant without such permission shall be void.

(b) ***Investment Representation Statement.*** Unless the rights under this Warrant are exercised pursuant to an effective registration statement under the Securities Act that includes the Shares with respect to which the Warrant was exercised, it shall be a condition to any exercise of the rights under this Warrant that the Holder shall have confirmed to the satisfaction of the Company in writing, substantially in the form of **Exhibit A-1**, that the Shares so purchased are being acquired solely for the Holder's own account and not as a nominee for any other party, for investment and not with a view toward distribution or resale and that the Holder shall have confirmed such other matters related thereto as may be reasonably requested by the Company.

(c) ***Securities Law Legend.*** The Securities shall (unless otherwise permitted by the provisions of this Warrant) be notated with a legend substantially similar to the following (in addition to any legend required by state securities laws):

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS IN ACCORDANCE WITH APPLICABLE REGISTRATION REQUIREMENTS OR AN EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS. THIS CERTIFICATE MUST BE SURRENDERED TO THE COMPANY OR ITS TRANSFER AGENT AS A CONDITION PRECEDENT TO THE SALE, TRANSFER, PLEDGE OR HYPOTHECATION OF ANY INTEREST IN ANY OF THE SECURITIES REPRESENTED HEREBY.

(d) ***Market Stand-off Legend.*** The Shares issued upon exercise hereof shall also be notated with a legend in substantially the following form:

THE SHARES REPRESENTED HEREBY ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE, INCLUDING A LOCK-UP PERIOD IN THE EVENT OF A PUBLIC OFFERING, AS SET FORTH IN THE WARRANT PURSUANT TO WHICH THESE SHARES WERE ISSUED, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE COMPANY.

(e) ***Instructions Regarding Transfer Restrictions.*** The Holder consents to the Company making a notation on its records and giving instructions to any transfer agent in order to implement the restrictions on transfer established in this Section 5.

(f) ***Removal of Legend.*** The legend referring to federal and state securities laws identified in Section 5(c) notated on any certificate evidencing the Shares (and the Common Stock issuable upon conversion thereof) and the stock transfer instructions and record notations with respect to such securities shall be removed, and the Company shall issue a certificate without such legend to the holder of such securities (to the extent the securities are certificated), if (i) such securities are registered under the Securities Act, or (ii) such holder provides the Company with an opinion of counsel reasonably acceptable to the Company to the effect that a sale or transfer of such securities may be made without registration, qualification or legend.

(g) ***No Transfers to Bad Actors; Notice of Bad Actor Status.*** The Holder agrees not to sell, assign, transfer, pledge or otherwise dispose of any securities of the Company, or any beneficial interest therein, to any person (other than the Company) unless and until the proposed transferee confirms to the reasonable satisfaction of the Company that neither the proposed transferee nor any of its directors, executive officers, other officers that may serve as a director or officer of any company in which it invests, general partners or managing members nor any person that would be deemed a beneficial owner of those securities (in accordance with Rule 506(d) of the Securities Act) is subject to any of the "bad actor" disqualifications described in Rule 506(d)(1)(i) through (viii) under the Securities Act, except as set forth in Rule 506(d)(2)(ii) or (iii) or (d)(3) under the Securities Act and disclosed, reasonably in advance of the transfer, in writing in reasonable detail to the Company. The Holder will promptly notify the Company in writing if the Holder or, to the Holder's knowledge, any person specified in Rule 506(d)(1) under the Securities Act becomes subject to any of the "bad actor" disqualifications described in Rule 506(d)(1)(i) through (viii) under the Securities Act.

6. **Adjustments.** Subject to the expiration of this Warrant pursuant to Section 7, the number and kind of shares purchasable hereunder and the Exercise Price therefor are subject to adjustment from time to time, as follows:

(a) ***Merger or Reorganization.*** If at any time there shall be any reorganization, recapitalization, merger or consolidation (a "***Reorganization***") involving the Company (other than as otherwise provided for herein or as would cause the expiration of this Warrant under Section 7) in which shares of the Company's stock are converted into or exchanged for securities, cash or other property, then, as a part of such Reorganization, lawful provision shall be made so that the Holder shall thereafter be entitled to receive upon exercise of this Warrant, the kind and amount of securities, cash or other property of the successor corporation resulting from such Reorganization, equivalent in value to that which a holder of the Shares deliverable upon exercise of this Warrant would have been entitled in such Reorganization if the right to purchase the Shares hereunder had been exercised immediately prior to such Reorganization. In any such case, appropriate adjustment (as determined in good faith by the Board of Directors of the successor corporation) shall be made in the application of the provisions of this Warrant with respect to the rights and interests of the Holder after such Reorganization to the end that the provisions of this Warrant shall be applicable after the event, as near as reasonably may be, in relation to any shares or other securities deliverable after that event upon the exercise of this Warrant.

(b) ***Reclassification of Shares.*** If the securities issuable upon exercise of this Warrant are changed into the same or a different number of securities of any other class or classes by reclassification, capital reorganization, conversion of all outstanding shares of the relevant class or series (other than as would cause the expiration of this Warrant pursuant to Section 7) or otherwise (other than as otherwise provided for herein) (a "***Reclassification***"), then, in any such event, in lieu of the number of Shares which the Holder would otherwise have been entitled to receive, the Holder shall have the right thereafter to exercise this Warrant for a number of shares of such other class or classes of stock that a holder of the number of securities deliverable upon exercise of this Warrant immediately before that change would have been entitled to receive in such Reclassification, all subject to further adjustment as provided herein with respect to such other shares.

(c) ***Subdivisions and Combinations.*** In the event that the outstanding shares of Series S Preferred Stock are subdivided (by stock split, by payment of a stock dividend or otherwise) into a greater number of shares of such securities, the number of Shares issuable upon exercise of the rights under this Warrant immediately prior to such subdivision shall, concurrently with the effectiveness of such subdivision, be proportionately increased, and the Exercise Price shall be proportionately decreased, and in the event that the outstanding shares of Series S Preferred Stock are combined (by reclassification or otherwise) into a lesser number of shares of such securities, the number of Shares issuable upon exercise of the rights under this Warrant immediately prior to such combination shall, concurrently with the effectiveness of such combination, be proportionately decreased, and the Exercise Price shall be proportionately increased.

(d) ***Notice of Adjustments.*** Upon any adjustment in accordance with this Section 5(g), the Company shall give notice thereof to the Holder, which notice shall state the event giving rise to the adjustment, the Exercise Price as adjusted and the number of securities or other property purchasable upon the exercise of the rights under this Warrant, setting forth in reasonable detail the method of calculation of each. The Company shall, upon the written request of any Holder, furnish or cause to be furnished to such Holder a certificate setting forth (i) such adjustments, (ii) the Exercise Price at the time in effect and (iii) the number of securities and the amount, if any, of other property that at the time would be received upon exercise of this Warrant.

7. **Expiration of the Warrant.** This Warrant shall expire and shall no longer be exercisable as of the earlier of:

(a) December 31, 2021; or

(b) Eighteen (18) months after the closing of the Company's first firm commitment underwritten initial public offering of the Company's Common Stock pursuant to a registration statement filed under the Securities Act.

8. **No Rights as a Stockholder.** Nothing contained herein shall entitle the Holder to any rights as a stockholder of the Company or to be deemed the holder of any securities that may at any time be issuable on the exercise of the rights hereunder for any purpose nor shall anything contained herein be construed to confer upon the Holder, as such, any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action (whether upon any recapitalization, issuance of stock, reclassification of stock, change of par value or change of stock to no par value, consolidation, merger, conveyance or otherwise) or to receive notice of meetings, or to receive dividends or subscription rights or any other rights of a stockholder of the Company until the rights under the Warrant shall have been exercised and the Shares purchasable upon exercise of the rights hereunder shall have become deliverable as provided herein.

9. **Market Stand-off.** Holder shall not sell or otherwise transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, of any Common Stock (or other securities) of the Company held by such Holder (other than those included in the registration) during the period from the filing of a registration statement of the Company relating to the Company's first underwritten initial public offering filed under the Securities Act of 1933, as amended, or any similar successor federal statute and the rules and regulations thereunder, all as the same shall be in effect from time to time (the "Securities Act"), until no later than 180 days after the effective date of such registration statement The obligations described in this section shall not apply to a registration relating solely to employee benefit plans on Form S-l or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a transaction on Form S-4 or similar forms that may be promulgated in the future. The Company may impose stop-transfer instructions and may stamp each such certificate with the legend set forth in Section 5(d) with respect to the shares of Common Stock (or other securities) subject to the foregoing restriction until the end of such one hundred eighty (180) day (or shorter) period. Holder agrees to execute a market standoff agreement with said underwriters in customary form consistent with the provisions of this section.

10. **Representations and Warranties of the Holder.** By acceptance of this Warrant, the Holder represents and warrants to the Company as follows:

(a) ***No Registration.*** The Holder understands that the Securities have not been, and will not be, registered under the Securities Act by reason of a specific exemption from the registration provisions of the Securities Act, the availability of which depends upon, among other things, the *bona fide* nature of the investment intent and the accuracy of the Holder's representations as expressed herein or otherwise made pursuant hereto.

(b) ***Investment Intent.*** The Holder is acquiring the Securities for investment for its own account, not as a nominee or agent, and not with a view to, or for resale in connection with, any distribution thereof. The Holder has no present intention of selling, granting any participation in, or otherwise distributing the Securities, nor does it have any contract, undertaking, agreement or arrangement for the same.

(c) ***Investment Experience.*** The Holder has substantial experience in evaluating and investing in private placement transactions of securities in companies similar to the Company, and has such knowledge and experience in financial or business matters so that it is capable of evaluating the merits and risks of its investment in the Company and protecting its own interests.

(d) ***Speculative Nature of Investment.*** The Holder understands and acknowledges that its investment in the Company is highly speculative and involves substantial risks. The Holder can bear the economic risk of its investment and is able, without impairing its financial condition, to hold the Securities for an indefinite period of time and to suffer a complete loss of its investment.

(e) ***Access to Data.*** The Holder has had an opportunity to ask questions of officers of the Company, which questions were answered to its satisfaction. The Holder believes that it has received all the information that it considers necessary or appropriate for deciding whether to acquire the Securities. The Holder understands that any such discussions, as well as any information issued by the Company, were intended to describe certain aspects of the Company's business and prospects, but were not necessarily a thorough or exhaustive description. The Holder acknowledges that any business plans prepared by the Company have been, and continue to be, subject to change and that any projections included in such business plans or otherwise are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the projections will not materialize or will vary significantly from actual results.

(f) ***Accredited Investor.*** The Holder is an "accredited investor" within the meaning of Regulation D, Rule 501(a), promulgated by the Securities and Exchange Commission and agrees to submit to the Company such further assurances of such status as may be reasonably requested by the Company. The Holder has furnished or made available any and all information requested by the Company or otherwise necessary to satisfy any applicable verification requirements as to "accredited investor" status. Any such information is true, correct, timely and complete.

(g) ***Residency.*** The residency of the Holder (or, in the case of a partnership or corporation, such entity's principal place of business) is correctly set forth on the signature page hereto.

(h) ***Restrictions on Resales.*** The Holder acknowledges that the Securities must be held indefinitely unless subsequently registered under the Securities Act or an exemption from such registration is available. The Holder is aware of the provisions of Rule 144 promulgated under the Securities Act, which permit resale of shares purchased in a private placement subject to the satisfaction of certain conditions, which may possibly include, among other things, the availability of certain current public information about the Company; the resale occurring not less than a specified period after a party has purchased and paid for the security to be sold; the number of shares being sold during any three-month period not exceeding specified limitations; the sale being effected through a "broker's transaction," a transaction directly with a "market maker" or a "riskless principal transaction" (as those terms are defined in the Securities Act or the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder); and the filing of a Form 144 notice, if applicable. The Holder acknowledges and understands that the Company may not be satisfying the current public information requirement of Rule 144 at the time the Holder wishes to sell the Securities and that, in such event, the Holder may possibly be precluded from selling the Securities under Rule 144 even if the other applicable requirements of Rule 144 have been satisfied. The Holder acknowledges that, in the event the applicable requirements of Rule 144 are not met, registration under the Securities Act or an exemption from registration will be required for any disposition of the Securities. The Holder understands that, although Rule 144 is not exclusive, the Securities and Exchange Commission has expressed its opinion that persons proposing to sell restricted securities received in a private offering other than in a registered offering or pursuant to Rule 144 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales and that such persons and the brokers who participate in the transactions do so at their own risk.

(i) ***No Public Market.*** The Holder understands and acknowledges that no public market now exists for any of the securities issued by the Company and that the Company has made no assurances that a public market will ever exist for the Company's securities.

(j) ***Brokers and Finders.*** The Holder has not engaged any brokers, finders or agents in connection with the Securities, and the Company has not incurred nor will incur, directly or indirectly, as a result of any action taken by the Holder, any liability for brokerage or finders' fees or agents' commissions or any similar charges in connection with the Securities.

(k) ***Legal Counsel.*** The Holder has had the opportunity to review this Warrant, the exhibits and schedules attached hereto and the transactions contemplated by this Warrant with its own legal counsel. The Holder is not relying on any statements or representations of the Company or its agents for legal advice with respect to this investment or the transactions contemplated by this Warrant.

(l) ***Tax Advisors.*** The Holder has reviewed with its own tax advisors the U.S. federal, state and local and non-U.S. tax consequences of this investment and the transactions contemplated by this Warrant. With respect to such matters, the Holder relies solely on any such advisors and not on any statements or representations of the Company or any of its agents, written or oral. The Holder understands that it (and not the Company) shall be responsible for its own tax liability that may arise as a result of this investment and the transactions contemplated by this Warrant.

(m) ***No "Bad Actor" Disqualification.*** Neither (i) the Holder, (ii) any of its directors, executive officers, other officers that may serve as a director or officer of any company in which it invests, general partners or managing members, nor (iii) any beneficial owner of any of the Company's voting equity securities (in accordance with Rule 506(d) of the Securities Act) held by the Holder is subject to any of the "bad actor" disqualifications described in Rule 506(d)(1)(i) through (viii) under the Securities Act, except as set forth in Rule 506(d)(2)(ii) or (iii) or (d)(3) under the Securities Act and disclosed, reasonably in advance of the acceptance of this Warrant, in writing in reasonable detail to the Company.

11. **Miscellaneous.**

(a) ***Amendments.*** Except as expressly provided herein, neither this Warrant nor any term hereof may be amended, waived, discharged or terminated other than by a written instrument referencing this Warrant and signed by the Company and the Holder.

(b) ***Waivers.*** No waiver of any single breach or default shall be deemed a waiver of any other breach or default theretofore or thereafter occurring.

(c) ***Notices.*** All notices and other communications required or permitted hereunder shall be in writing and shall be mailed by registered or certified mail, postage prepaid, sent by facsimile or electronic mail or otherwise delivered by hand, messenger or courier service addressed:

(i) if to the Holder, to the Holder at the Holder's address, facsimile number or electronic mail address as shown in the Company's records, as may be updated in accordance with the provisions hereof, or until any such Holder so furnishes an address, facsimile number or electronic mail address to the Company, then to and at the address, facsimile number or electronic mail address of the last holder of this Warrant for which the Company has contact information in its records; or

(ii) if to the Company, to the attention of the President or Chief Financial Officer of the Company at the Company's address as shown on the signature page hereto, or at such other current address as the Company shall have furnished to the Holder, with a copy (which shall not constitute notice) to Michael J. Danaher, Wilson Sonsini Goodrich & Rosati, P.C., 650 Page Mill Road, Palo Alto, CA 94304.

Each such notice or other communication shall for all purposes of this Warrant be treated as effective or having been given (i) if delivered by hand, messenger or courier service, when delivered (or if sent via a nationally-recognized overnight courier service, freight prepaid, specifying next-business-day delivery, one business day after deposit with the courier), or (ii) if sent via mail, at the earlier of its receipt or five days after the same has been deposited in a regularly-maintained receptacle for the deposit of the United States mail, addressed and mailed as aforesaid, or (iii) if sent via facsimile, upon confirmation of facsimile transfer or, if sent via electronic mail, upon confirmation of delivery when directed to the relevant electronic mail address, if sent during normal business hours of the recipient, or if not sent during normal business hours of the recipient, then on the recipient's next business day. In the event of any conflict between the Company's books and records and this Warrant or any notice delivered hereunder, the Company's books and records will control absent fraud or error.

(d) ***Governing Law.*** This Warrant and all actions arising out of or in connection with this Warrant shall be governed by and construed in accordance with the laws of the State of Delaware , without regard to the conflicts of law provisions of the State of Delaware, or of any other state.

(e) ***Jurisdiction and Venue.*** Each of the Holder and the Company irrevocably consents to the exclusive jurisdiction and venue of any court within the State of Delaware, in connection with any matter based upon or arising out of this Warrant or the matters contemplated herein, and agrees that process may be served upon them in any manner authorized by the laws of the State of Delaware for such persons.

(f) ***Titles and Subtitles.*** The titles and subtitles used in this Warrant are used for convenience only and are not to be considered in construing or interpreting this Warrant. All references in this Warrant to sections, paragraphs and exhibits shall, unless otherwise provided, refer to sections and paragraphs hereof and exhibits attached hereto.

(g) ***Severability.*** If any provision of this Warrant becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, portions of such provision, or such provision in its entirety, to the extent necessary, shall be severed from this Warrant, and such illegal, unenforceable or void provision shall be replaced with a valid and enforceable provision that will achieve, to the extent possible, the same economic, business and other purposes of the illegal, unenforceable or void provision. The balance of this Warrant shall be enforceable in accordance with its terms.

(h) ***Waiver of Jury Trial.*** **EACH OF THE HOLDER AND THE COMPANY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATED TO THIS WARRANT.** If the waiver of jury trial set forth in this paragraph is not enforceable, then any claim or cause of action arising out of or relating to this Warrant shall be settled by judicial reference pursuant to California Code of Civil Procedure Section 638 *et seq.* before a referee sitting without a jury, such referee to be mutually acceptable to the parties or, if no agreement is reached, by a referee appointed by the Presiding Judge of the California Superior Court for Santa Clara County. This paragraph shall not restrict the Holder or the Company from exercising remedies under the Uniform Commercial Code or from exercising pre-judgment remedies under applicable law.

(i) ***California Corporate Securities Law.*** THE SALE OF THE SECURITIES THAT ARE THE SUBJECT OF THIS WARRANT HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF SUCH SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO SUCH QUALIFICATION IS UNLAWFUL, UNLESS THE SALE OF SECURITIES IS EXEMPT FROM QUALIFICATION BY SECTION 25100, 25102, OR 25105 OF THE CALIFORNIA CORPORATIONS CODE. THE RIGHTS OF ALL PARTIES TO THIS WARRANT ARE EXPRESSLY CONDITIONED UPON THE QUALIFICATION BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT.

(j) ***Rights and Obligations Survive Exercise of the Warrant.*** Except as otherwise provided herein, the rights and obligations of the Company and the Holder under this Warrant shall survive exercise of this Warrant.

(k) ***Entire Agreement.*** Except as expressly set forth herein, this Warrant (including the exhibits attached hereto) and the Purchase Agreement constitutes the entire agreement and understanding of the Company and the Holder with respect to the subject matter hereof and supersede all prior agreements and understandings relating to the subject matter hereof.

(*signature page follows*)

The Company and the Holder sign this Warrant as of the date stated on the first page.

KNIGHTSCOPE, INC.

By: /s/ William Santana Li

Name: William Santana Li

Title: Chief Executive Officer

AGREED AND ACKNOWLEDGED,

PROUD VENTURES KS LLC

By: /s/ Andrew Brown

Name: Andrew Brown

Title: Managing Member

EXHIBIT A

NOTICE OF EXERCISE

TO: **KNIGHTSCOPE, INC. (the "*Company*")**

Attention: **Chief Executive Officer**

(1) **Exercise.** The undersigned elects to purchase the following pursuant to the terms of the attached warrant:

Number of shares: _____

Type of security: _____

(2) **Method of Exercise.** The undersigned elects to exercise the attached warrant pursuant to:

☐ A cash payment or cancellation of indebtedness, and tenders herewith payment of the purchase price for such shares in full, together with all applicable transfer taxes, if any.

☐ The net issue exercise provisions of Section 2(b) of the attached warrant.

(3) **Stock Certificate.** Please issue a certificate or certificates representing the shares in the name of:

☐ The undersigned

☐ Other—Name: _____

Address: _____

_____

(4) **Investment Intent.** The undersigned represents and warrants that the aforesaid shares are being acquired for investment for its own account, not as a nominee or agent, and not with a view to, or for resale in connection with, the distribution thereof, and that the undersigned has no present intention of selling, granting any participation in, or otherwise distributing the shares, nor does it have any contract, undertaking, agreement or arrangement for the same, and all representations and warranties of the undersigned set forth in Section 10 of the attached warrant are true and correct as of the date hereof.

(5) **Investment Representation Statement and Market Stand-Off Agreement.** The undersigned has executed, and delivers herewith, an Investment Representation Statement and Market Stand-Off Agreement in a form substantially similar to the form attached to the warrant as Exhibit A-1.

(6) **Consent to Receipt of Electronic Notice.** Subject to the limitations set forth in Delaware General Corporation Law §232(e), the undersigned consents to the delivery of any notice to stockholders given by the Company under the Delaware General Corporation Law or the Company's certificate of incorporation or bylaws by (i) facsimile telecommunication to the facsimile number provided below (or to any other facsimile number for the undersigned in the Company's records), (ii) electronic mail to the electronic mail address provided below (or to any other electronic mail address for the undersigned in the Company's records), (iii) posting on an electronic network together with separate notice to the undersigned of such specific posting or (iv) any other form of electronic transmission (as defined in the Delaware General Corporation Law) directed to the undersigned. This consent may be revoked by the undersigned by written notice to the Company and may be deemed revoked in the circumstances specified in Delaware General Corporation Law §232.

_____
(Print name of the warrant holder)

_____
(*Signature*)

_____
(*Name and title of signatory, if applicable*)

_____
(*Date*)

(Signature page to the Notice of Exercise)

EXHIBIT A-l

INVESTMENT REPRESENTATION STATEMENT
AND
MARKET STAND-OFF AGREEMENT

INVESTOR: _____

COMPANY: KNIGHTSCOPE, INC.

SECURITIES: THE WARRANT ISSUED ON APRIL 30, 2019 (THE "***WARRANT***") AND THE SECURITIES ISSUED OR ISSUABLE UPON EXERCISE THEREOF (INCLUDING UPON SUBSEQUENT CONVERSION OF THOSE SECURITIES)

DATE: _____

In connection with the purchase or acquisition of the above-listed Securities, the undersigned Investor represents and warrants to, and agrees with, the Company as follows:

1. **No Registration.** The Investor understands that the Securities have not been, and will not be, registered under the Securities Act of 1933, as amended (the "***Securities Act***"), by reason of a specific exemption from the registration provisions of the Securities Act, the availability of which depends upon, among other things, the *bona fide* nature of the investment intent and the accuracy of the Investor's representations as expressed herein or otherwise made pursuant hereto.

2. **Investment Intent.** The Investor is acquiring the Securities for investment for its own account, not as a nominee or agent, and not with a view to, or for resale in connection with, any distribution thereof. The Investor has no present intention of selling, granting any participation in, or otherwise distributing the Securities, nor does it have any contract, undertaking, agreement or arrangement for the same.

3. **Investment Experience.** The Investor has substantial experience in evaluating and investing in private placement transactions of securities in companies similar to the Company, and has such knowledge and experience in financial or business matters so that it is capable of evaluating the merits and risks of its investment in the Company and protecting its own interests.

4. **Speculative Nature of Investment.** The Investor understands and acknowledges that its investment in the Company is highly speculative and involves substantial risks. The Investor can bear the economic risk of its investment and is able, without impairing its financial condition, to hold the Securities for an indefinite period of time and to suffer a complete loss of its investment.

5. **Access to Data.** The Investor has had an opportunity to ask questions of officers of the Company, which questions were answered to its satisfaction. The Investor believes that it has received all the information that it considers necessary or appropriate for deciding whether to acquire the Securities. The Investor understands that any such discussions, as well as any information issued by the Company, were intended to describe certain aspects of the Company's business and prospects, but were not necessarily a thorough or exhaustive description. The Investor acknowledges that any business plans prepared by the Company have been, and continue to be, subject to change and that any projections included in such business plans or otherwise are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the projections will not materialize or will vary significantly from actual results.

6. **Accredited Investor.** The Investor is an "accredited investor" within the meaning of Regulation D, Rule 501(a), promulgated by the Securities and Exchange Commission and agrees to submit to the Company such further assurances of such status as may be reasonably requested by the Company. The Investor has furnished or made available any and all information requested by the Company or otherwise necessary to satisfy any applicable verification requirements as to "accredited investor" status. Any such information is true, correct, timely and complete.

7. **Residency.** The residency of the Investor (or, in the case of a partnership or corporation, such entity's principal place of business) is correctly set forth on the signature page hereto.

8. **Restrictions on Resales.** The Investor acknowledges that the Securities must be held indefinitely unless subsequently registered under the Securities Act or an exemption from such registration is available. The Investor is aware of the provisions of Rule 144 promulgated under the Securities Act, which permit resale of shares purchased in a private placement subject to the satisfaction of certain conditions, which may possibly include, among other things, the availability of certain current public information about the Company; the resale occurring not less than a specified period after a party has purchased and paid for the security to be sold; the number of shares being sold during any three-month period not exceeding specified limitations; the sale being effected through a "broker's transaction," a transaction directly with a "market maker" or a "riskless principal transaction" (as those terms are defined in the Securities Act or the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder); and the filing of a Form 144 notice, if applicable. The Investor acknowledges and understands that the Company may not be satisfying the current public information requirement of Rule 144 at the time the Investor wishes to sell the Securities and that, in such event, the Investor may possibly be precluded from selling the Securities under Rule 144 even if the other applicable requirements of Rule 144 have been satisfied. The Investor understands and acknowledges that, in the event the applicable requirements of Rule 144 are not met, registration under the Securities Act or an exemption from registration will be required for any disposition of the Securities. The Investor understands that, although Rule 144 is not exclusive, the Securities and Exchange Commission has expressed its opinion that persons proposing to sell restricted securities received in a private offering other than in a registered offering or pursuant to Rule 144 will have a substantial burden of proof in establishing that an exemption from registration is available for those offers or sales and that those persons and the brokers who participate in the transactions do so at their own risk.

9. **Brokers and Finders.** The Investor has not engaged any brokers, finders or agents in connection with the Securities, and the Company has not incurred nor will incur, directly or indirectly, as a result of any action taken by the Investor, any liability for brokerage or finders' fees or agents' commissions or any similar charges in connection with the Securities.

10. **Legal Counsel.** The Investor has had the opportunity to review the Warrant, the exhibits and schedules attached thereto and the transactions contemplated by the Warrant with its own legal counsel. The Investor is not relying on any statements or representations of the Company or its agents for legal advice with respect to this investment or the transactions contemplated by the Warrant.

11. **Tax Advisors.** The Investor has reviewed with its own tax advisors the U.S. federal, state and local and non-U.S. tax consequences of this investment and the transactions contemplated by the Warrant. With respect to such matters, the Investor relies solely on such advisors and not on any statements or representations of the Company or any of its agents, written or oral. The Investor understands that it (and not the Company) shall be responsible for its own tax liability that may arise as a result of this investment or the transactions contemplated by the Warrant.

12. **Market Stand-off.** Investor shall not sell or otherwise transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, of any Common Stock (or other securities) of the Company held by Investor (other than those included in the registration) during the period from the filing of a registration statement of the Company relating to the Company's first underwritten initial public offering filed under the Securities Act of 1933, as amended, or any similar successor federal statute and the rules and regulations thereunder, all as the same shall be in effect from time to time (the "Securities Act"), until no later than 180 days after the effective date of such registration statement. The obligations described in this section shall not apply to a registration relating solely to employee benefit plans on Form S-l or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a transaction on Form S-4 or similar forms that may be promulgated in the future. The Company may impose stop-transfer instructions and may stamp each such certificate with the legend set forth in Section 5(d) with respect to the shares of Common Stock (or other securities) subject to the foregoing restriction until the end of such one hundred eighty (180) day (or shorter) period. Investor agrees to execute a market standoff agreement with said underwriters in customary form consistent with the provisions of this section.

13. **No "Bad Actor" Disqualification.** Neither (i) the Investor, (ii) any of its directors, executive officers, other officers that may serve as a director or officer of any company in which it invests, general partners or managing members, nor (iii) any beneficial owner of any of the Company's voting equity securities (in accordance with Rule 506(d) of the Securities Act) held by the Investor is subject to any of the "bad actor" disqualifications described in Rule 506(d)(1)(i) through (viii) under the Securities Act, except as set forth in Rule 506(d)(2)(ii) or (iii) or (d)(3) under the Securities Act and disclosed, reasonably in advance of the purchase or acquisition of the Securities, in writing in reasonable detail to the Company.

(*signature page follows*)

The Investor is signing this Investment Representation Statement and Market Stand-Off Agreement on the date first written above.

INVESTOR

(*Print name of the investor*)

(*Signature*)

(*Name and title of signatory, if applicable*)

(*Street address*)

(*City, state and ZIP*)

EXHIBIT B

ASSIGNMENT FORM

ASSIGNOR: _____

COMPANY: KNIGHTSCOPE, INC.

WARRANT: THE WARRANT TO PURCHASE SHARES OF SERIES S PREFERRED STOCK ISSUED ON APRIL 30, 2019 (THE "***WARRANT***")

DATE: _____

(1) **Assignment.** The undersigned registered holder of the Warrant ("***Assignor***") assigns and transfers to the assignee named below ("***Assignee***") all of the rights of Assignor under the Warrant, with respect to the number of shares set forth below:

Name of Assignee: _____

Address of Assignee: _____

_____

Number of Shares Assigned: _____

and does irrevocably constitute and appoint _____ as attorney to make such transfer on the books of Knightscope, Inc., maintained for the purpose, with full power of substitution in the premises.

(2) **Obligations of Assignee.** Assignee agrees to take and hold the Warrant and any shares of stock to be issued upon exercise of the rights thereunder (and any shares issuable upon conversion thereof) (the "***Securities***") subject to, and to be bound by, the terms and conditions set forth in the Warrant to the same extent as if Assignee were the original holder thereof.

(3) **Investment Intent.** Assignee represents and warrants that the Securities are being acquired for investment for its own account, not as a nominee or agent, and not with a view to, or for resale in connection with, the distribution thereof, and that Assignee has no present intention of selling, granting any participation in, or otherwise distributing the shares, nor does it have any contract, undertaking, agreement or arrangement for the same, and all representations and warranties set forth in Section 10 of the Warrant are true and correct as to Assignee as of the date hereof.

(4) **Investment Representation Statement and Market Stand-Off Agreement.** Assignee has executed, and delivers herewith, an Investment Representation Statement and Market Stand-Off Agreement in a form substantially similar to the form attached to the Warrant as Exhibit A-1.

(5) **No "Bad Actor" Disqualification.** Neither (i) Assignee, (ii) any of its directors, executive officers, other officers that may serve as a director or officer of any company in which it invests, general partners or managing members, nor (iii) any beneficial owner of any of the Company's securities held or to be held by Assignee is subject to any of the "bad actor" disqualifications described in Rule 506(d)(1)(i) through (viii) under the Securities Act of 1933, as amended (the "***Securities Act***"), except as set forth in Rule 506(d)(2)(ii) or (iii) or (d)(3) under the Securities Act and disclosed, reasonably in advance of the transfer of the Securities, in writing in reasonable detail to the Company.

Assignor and Assignee are signing this Assignment Form on the date first set forth above.

ASSIGNOR	**ASSIGNEE**
(*Print name of Assignor*)	(*Print name of Assignee*)
(*Signature of Assignor*)	(*Signature of Assignee*)
(*Print name of signatory, if applicable*)	(*Print name of signatory, if applicable*)
(*Print title of signatory, if applicable*)	(*Print title of signatory, if applicable*)
Address:	Address:

Exhibit 3.4

Farnam Street
FINANCIAL

Lease Agreement Number KN020819

LEASE AGREEMENT

This Lease Agreement, dated February 8, 2019 by and between FARNAM STREET FINANCIAL, INC. (the "Lessor") with an office located at 5850 Opus Parkway, Suite 240, Minnetonka, MN 55343 and Knightscope, Inc. (the "Lessee") with an office located at 1070 Terra Bella Avenue, Mountain View, CA, 94043.

Lessor hereby leases or grants to the Lessee the right to use and Lessee hereby rents and accepts the right to use the equipment (identified by serial number where serialized), services, and software on the Lease Schedule(s) attached hereto or incorporated herein by reference from time to time (collectively, the equipment, software and services are the "Equipment"), subject to the terms and conditions hereof, as supplemented with respect to each item of Equipment by the terms and conditions set forth in the appropriate Lease Schedule. The term "Lease Agreement" shall include this Lease Agreement and the various Lease Schedule(s) identifying each item of Equipment or the appropriate Lease Schedule(s) identifying one or more particular items of Equipment.

1. **TERM**: This Lease Agreement is effective from the date it is executed by both parties. The term of this Lease Agreement, as to all Equipment designated on any particular Lease Schedule, shall commence on the Installation Date for all Equipment on such Lease Schedule and shall continue for an initial period ending that number of months from the Commencement Date as set forth in such Lease Schedule (the "Initial Term") and shall continue from year to year thereafter until terminated. The term of this Lease Agreement as to all Equipment designated on any particular Lease Schedule may be terminated without cause at the end of the Initial Term or any year thereafter by either party mailing written notice of its termination to the other party not less than one-hundred twenty (120) days prior to such termination date.

2. **COMMENCEMENT DATE**: The Installation Date for each item of Equipment shall be the day said item of Equipment is installed at the Location of Installation, ready for use, and accepted in writing by the Lessee. The Commencement Date for any Lease Schedule is the first of the month following installation of all the Equipment on the Lease Schedule, unless the latest Installation Date for any Equipment on the Lease Schedule falls on the first day of the month in which case that is the Commencement Date. The Lessee agrees to complete, execute and deliver a Certificate(s) of Acceptance to Lessor upon installation of the Equipment.

3. **LEASE CHARGE**: The lease charges for the Equipment leased pursuant to this Lease Agreement shall be the aggregate "Monthly Lease Charge(s)" as set forth on each and every Lease Schedule executed pursuant hereto (the aggregate "Monthly Lease Charge(s)" are the "Lease Charges"). Lessee agrees to pay to Lessor the Lease Charges in accordance with the Lease Schedule(s), and the payments shall be made at Lessor's address indicated thereon. The Lease Charges shall be paid by Lessee monthly in advance with the first Mil month's payment due on the Commencement Date. If the Installation Date does not fall on the first day of a month, the Lease Charge for the period from the Installation Date to the Commencement Date shall be an amount equal to the "Monthly Lease Charge" divided by thirty (30) and multiplied by the number of days from and including the Installation Date to the Commencement Date and such amount shall be due and payable upon receipt of an invoice from Lessor. Charges for taxes made in accordance with Section 4 and charges made under any other provision of this Lease Agreement and payable by Lessee shall be paid to Lessor at Lessor's address specified on the Lease Schedule(s) on the date specified in invoices delivered to Lessee. If payment, as specified above, is not received by Lessor on the due date, Lessee agrees to and shall, to the extent permitted by law, pay on demand, as a late charge, an amount equal to one and one-half percent (1½%), or the maximum percentage allowed by law if less, of the amount past due ("Late Charges"). Late Charges shall be charged and added to any past due amount on the date such payment is due and every thirty (30) days thereafter until all past due amounts are paid in full to Lessor.

4. **TAXES:** In addition to the Lease Charges set forth in Section 3, the Lessee shall reimburse Lessor for all license or registration fees, assessments, sales and use taxes, rental taxes, gross receipts taxes, personal property taxes and other taxes now or hereafter imposed by any government, agency, province or otherwise upon the Equipment, the Lease Charges or upon the ownership, leasing, renting, purchase, possession or use of the Equipment, whether the same be assessed to Lessor or Lessee (the "Taxes"). Lessor shall file all property tax returns and pay all Taxes when due. Lessee, upon notice to Lessor, may, in Lessee's own name, contest or protest any Taxes, and Lessor shall honor any such notice except when in Lessor's sole opinion such contest is futile or will cause a levy or lien to arise on the Equipment or cloud Lessor's title thereto. Lessee shall, in addition, be responsible to Lessor for the payment and discharge of any penalties or interest as a result of Lessee's actions or inactions. Nothing herein shall be construed to require Lessee to be responsible for any federal or state taxes or payments in lieu thereof, imposed upon or measured by the net income of Lessor, or state franchise taxes of Lessor, or except as provided hereinabove, any penalties or interest resulting from Lessor's failure to timely remit such tax payments.

5. **DELIVERY AND FREIGHT COSTS**: Lessee shall accept delivery and install the Equipment before such time as the applicable vendor requires payment for such Equipment or Equipment components.

All transportation charges upon the Equipment for delivery to Lessee's designated Location of Installation are to be paid by Lessee. All rigging, drayage charges, structural alterations, rental of heavy equipment and/or other expense necessary to place the Equipment at the Location of Installation are to be promptly paid by Lessee.

6. **INSTALLATION**: Lessee agrees to pay for the actual installation of the Equipment at Lessee's site. Lessee shall make available and agrees to pay for all costs associated with providing a suitable place of installation and necessary electrical power, outlets and air conditioning required for operating the Equipment as defined in the Equipment manufacturer's installation manual or instructions. All supplies consumed or required by the Equipment shall be furnished and paid for by Lessee.

7. **RETURN TO LESSOR**: On the day following the last day of the lease term associated with a Lease Schedule (the "Return Date"), Lessee shall cause and pay for all the Equipment (by serial number where serialized) on that Lease Schedule to be deinstalled, packed using the manufacturer's original packing materials or equivalent and shipped to the location(s) designated in writing by Lessor (the "Return Location"). If all the Equipment on the applicable Lease Schedule is not at the Return Location within ten (10) days of the Return Date, or Lessee fails to deinstall and ship all the Equipment on the Return Date, then any written notice of termination delivered by Lessee shall become void, and the Lease Schedule shall continue in accordance with this Lease Agreement. Irrespective of any other provision hereof, Lessee will bear the risk of damage from fire, the elements or otherwise until delivery of the Equipment to the Return Location. At such time as the Equipment is delivered to the Lessor at the Return Location, the Equipment will be at the risk of Lessor. In the case of Equipment that is software or related implementation services, other than Lessee's proprietary software, Lessee will erase, delete and destroy all electronic incidents of software, and deliver to Lessor all tangible items constituting software. At Lessor's request, Lessee will also certify in a written form acceptable to Lessor that: (i) all tangible Software has been delivered to Lessor; (ii) all intangible records have been destroyed; (iii) Lessee has not retained the software in any form; (iv) Lessee will not use the Software after the termination date of a Lease Schedule; and (v) Lessee has not received from the software supplier(s) anything of value relating to or in exchange for Lessee's use, rental or possession of the software during the duration of the applicable Lease Schedule (including a trade-in, substitution or upgrade allowance).

8. **MAINTENANCE**: Lessee, at its sole expense, shall maintain the Equipment in good working order and condition. Unless Lessee is the Equipment manufacturer identified on the Lease Schedule, Lessee shall enter into, pay for and maintain in force during the entire term of any Lease Schedule, a maintenance agreement with the original manufacturer of the Equipment providing for continuous uninterrupted maintenance of the Equipment (the "Maintenance Agreement"). Lessee will cause the manufacturer to keep the Equipment in good working order in accordance with the provisions of the Maintenance Agreement and make all necessary adjustments and repairs to the Equipment. The manufacturer is hereby authorized to accept the directions of Lessee with respect thereto. Lessee agrees to allow the manufacturer MI and free access to the Equipment. All maintenance and service charges, whether under the Maintenance Agreement or otherwise, and all expenses, if any, of the manufacturer's customer engineers incurred in connection with maintenance and repair services, shall be promptly paid by Lessee. Lessee warrants that all of the Equipment shall be in good working order operating according to manufacturer's specification and eligible for the manufacturer's standard maintenance agreement upon delivery to and inspection and testing by the Lessor. If the Equipment is not operating according to manufacturer's specification, in good working order and/or certified by the manufacturer as eligible for the manufacturer's standard maintenance agreement, Lessee agrees to reimburse Lessor for all costs, losses, expenses and fees associated with such equipment and the repair or replacement thereof.

9. **LOCATION, OWNERSHIP AND USE**: The Equipment shall, at all times, be the sole and exclusive property of Lessor. Lessee shall have no right or property interest therein, except for the right to use the Equipment in the normal operation of its business at the Location identified or stated in the Lease Schedule, or as otherwise provided herein. The Equipment is and shall remain personal property even if installed in or attached to real property. Lessee shall keep the Equipment at all times five and clear from all claims, levies, encumbrances and process. Lessee shall give Lessor immediate notice of any such attachment or other judicial process affecting any of the Equipment. Without Lessor's written permission, Lessee shall not attempt to or actually: (i) pledge, lend, create a security interest in, exchange, trade, assign, swap, use for an allowance or credit or otherwise; or (ii) dispose of any item of Equipment. If any item of Equipment is exchanged, assigned, traded, swapped, used for an allowance or credit or otherwise to acquire new or different equipment (the "New Equipment") without Lessor's prior written consent, then all of the New Equipment shall become Equipment owned by Lessor subject to this Lease Agreement and the applicable Lease Schedule.

Any feature(s) installed on the Equipment at the time of delivery that are not specified on the Lease Schedule(s) are and shall remain the sole property of the Lessor.

Lessee shall cause the Equipment to be operated in accordance with the applicable vendor's or manufacturer's manual of instructions by competent and qualified personnel.

10. **FINANCING STATEMENT**: Lessor is hereby authorized by Lessee to cause this Lease Agreement or other instruments, including Uniform Commercial Code Financing Statements, to be filed or recorded for the purposes of showing Lessor's interest in the Equipment. Lessee agrees to execute any such instruments as Lessor may request from time to time.

11. **ALTERATIONS AND ATTACHMENTS**: Lessee may, at its own expense, make alterations in or add attachments to the Equipment. All such alterations and attachments to the Equipment shall become part of the Equipment leased to Lessee and owned by Lessor.

12. **LOSS AND DAMAGE**: Lessee shall assume and bear the risk of loss, theft and damage (including any governmental requisition, condemnation or confiscation) to the Equipment and all component parts thereof from any and every cause whatsoever, whether or not covered by insurance. No loss or damage to the Equipment or any component part thereof shall impair any obligation of Lessee under this Lease Agreement, which shall continue in full force and effect except as hereinafter expressly provided. Lessee shall repair or cause to be repaired all damage to the Equipment. In the event that all or part of the Equipment shall, as a result of any cause whatsoever, become lost, stolen, destroyed, depleted or otherwise rendered irreparably unusable, damaged or consumed, which shall include Equipment that would be rendered unusable by the act of deinstalling for return to Lessor (e.g. leasehold improvements of real estate etc.) (collectively, the "Loss") then Lessee shall, within ten (10) days after the Loss has been determined, fully inform Lessor in writing of such a Loss and shall pay to Lessor the following amounts: (i) the Monthly Lease Charges (and other amounts) then currently due and owing under this Lease Agreement, plus (ii) one-hundred (100%) percent of the original cost of the Equipment subject to the Loss if the loss occurs in either the installation period or during the first nine months of the Initial Term, and, thereafter, the original cost of the Equipment amortized by the subsequent Monthly Lease Charges received by Lessor during the Initial Term using an amortization rate of eight hundred and ninety (890) basis points over the interest rate of the three (3) year United States Treasury Note as reported by the Federal Reserve on the Commencement Date (collectively, the sum of (i) plus (H) shall be the "Casualty Loss Value"). If the Loss occurs after the Initial Term, (ii) above shall be the remaining unamortized balance as of the end of the Initial Term without thither amortization (the "Terminal Casualty Loss Value"). Notwithstanding the foregoing, if Lessee has provided notice to terminate the applicable Lease Schedule prior to informing Lessor in writing of a Loss and such Loss is not covered by insurance proceeds pursuant to Section 13 hereof, then Lessee shall pay two (2) times the Casualty Loss Value on the Equipment subject to such Loss. Upon receipt by Lessor of the Casualty Loss Value: (i) the applicable Equipment shall be removed from the Lease Schedule; and (ii) Lessee's obligation to pay Lease Charges associated with the applicable Equipment shall cease. Lessor may request, and Lessee shall complete, an affidavit(s) that swears out the facts supporting the Loss of any item of Equipment.

13. **INSURANCE**: Until the Equipment is returned to Lessor or as otherwise herein provided, whether or not this Lease Agreement has terminated as to the Equipment, Lessee, at its expense, shall maintain: (i) property and casualty insurance insuring the Equipment for its Casualty Loss Value naming Lessor or its assigns as sole loss payee; and (H) comprehensive public liability and third-party property insurance naming Lessor and its assigns as additional loss payees. The insurance shall cover the interest of both the Lessor and Lessee in the Equipment, or as the case may be, shall protect both the Lessor and Lessee in respect to all risks arising out of the condition, delivery, installation, maintenance, use or operation of the Equipment. All such insurance shall provide for thirty (30) days prior written notice to Lessor of cancellation, restriction, or reduction of coverage. Prior to installation of the Equipment, all policies or certificates of insurance shall be delivered to Lessor by Lessee. Lessee agrees to keep the Equipment insured with an insurance company which is at least "A" rated by A.M. Best. It is understood and agreed that any payments made by Lessee or its insurance carrier for loss or damage of any kind whatsoever to the Equipment are not made as accelerated rental payments or adjustments of rental, but are made solely as indemnity to Lessor for loss or damage of its Equipment.

14. **ENFORCEMENT OF WARRANTIES**: Upon receipt of a written request from Lessee, Lessor shall, so long as this Lease Agreement is in force, take all reasonable action requested by Lessee to enforce the Equipment manufacturers warranties, expressed or implied, issued on or applicable to the Equipment, which are enforceable by Lessor in its own name. Lessor shall obtain for Lessee all service furnished by manufacturer in connection therewith; provided, however, that Lessor shall not be required to commence any suit or action or resort to litigation to enforce any such warranty unless Lessee shall first pay to Lessor in advance all expenses in connection therewith, including attorney's' fees.

If any such warranty shall be enforceable by Lessee in its own name, Lessee shall, upon receipt of written request from Lessor, so long as this Lease Agreement is in force, take all reasonable action requested by Lessor to enforce any such warranty, which is enforceable by Lessee in its own name; provided, however, that Lessee shall not be obligated to commence any suit or action or resort to litigation to enforce any such warranty unless Lessor shall pay all expenses in connection therewith.

15. **WARRANTIES, DISCLAIMERS AND INDEMNITY**: THE LESSOR DOES NOT MAKE ANY WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING THE WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. LESSEE ACKNOWLEDGES THAT IT IS NOT RELYING ON LESSOR'S SKILL OR JUDGEMENT TO SELECT OR FURNISH GOODS SUITABLE FOR ANY PARTICULAR PURPOSE AND THAT THERE ARE NO WARRANTIES CONTAINED IN THIS LEASE AGREEMENT. LESSEE ACKNOWLEDGES AND AGREES THAT LESSOR HAS NOT MADE ANY STATEMENT, REPRESENTATION OR WARRANTY RELATIVE TO THE ACCOUNTING OR TAX ENTRIES, TREATMENT, BENEFIT, USE OR CLASSIFICATION OF THE LEASE AGREEMENT OR ASSOCIATED LEASE SCHEDULES. LESSEE ACKNOWLEDGES THAT IT AND/OR ITS INDEPENDENT ACCOUNTANTS ARE SOLELY RESPONSIBLE FOR (i) ANY AND ALL OF LESSEE'S ACCOUNTING AND TAX ENTRIES ASSOCIATED WITH THE LEASE AGREEMENT AND/OR THE LEASE SCHEDULES AND (ii) THE ACCOUNTING AND TAX TREATMENT, BENEFITS, USES AND CLASSIFICATION OF THE LEASE AGREEMENT OR ANY LEASE SCHEDULE. LESSOR SHALL NOT BE LIABLE FOR DAMAGES, INCLUDING SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THE PERFORMANCE OF THE EQUIPMENT OR ITS USE BY LESSEE, AND SHALL NOT BE LIABLE FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH LESSOR'S FAILURE TO PERFORM ITS OBLIGATION HEREUNDER. THIS LEASE AGREEMENT IS A "FINANCE LEASE" AS THAT TERM IS DEFINED AND USED IN ARTICLE 2A OF THE UNIFORM COMMERCIAL CODE. NO RIGHTS OR REMEDIES REFERRED TO IN ARTICLE 2A OF THE UNIFORM COMMERCIAL CODE WILL BE CONFERRED ON LESSEE.

Lessee agrees that Lessor shall not be liable to Lessee for, and Lessee shall indemnify, defend and hold Lessor harmless with respect to, any claim from a third party for any liability, claim, loss, damage or expense of any kind or nature, whether based upon a theory of strict liability or otherwise, caused, directly or indirectly, by: (i) the inadequacy of any item of Equipment, including software, for any purpose; (ii) any deficiency or any latent or other defects in any Equipment, including software, whether or not detectable by Lessee; (iii) the selection, manufacture, rejection, ownership, lease, possession, maintenance, operation, use or performance of any item of Equipment, including software; (iv) any interruption or loss of service, use or performance of any item of Equipment, including software; (v) patent, trademark or copyright infringement; or (vi) any loss of business or other special, incidental or consequential damages whether or not resulting from any of the foregoing. Lessee's duty to defend and indemnify Lessor shall survive the expiration, termination, cancellation or assignment of this Lease Agreement or a Lease Schedule and shall be binding upon Lessee's successors and permitted assigns.

16. **EVENT OF DEFAULT**: The occurrence of any of the following events shall constitute an Event of Default tinder this Lease Agreement and/or any Lease Schedule:

(1) the nonpayment by Lessee of any Lease Charges when due, or the nonpayment by Lessee of any other sum required hereunder to be paid by Lessee which non-payment continues for a period of ten (10) days from the date when due;
(2) the failure of Lessee to perform any other term, covenant or condition of this Lease Agreement, any Lease Schedule or any other document, agreement or instrument executed pursuant hereto or in connection herewith, which is not cured within ten (10) days;
(3) Lessee attempts to or does transfer, sell, swap, assign, trade, exchange, encumber, receive an allowance or credit for, or part with possession of, any item of Equipment;
(4) Lessee or any guarantor of this Lease Agreement ceases doing business as a going concern;
(5) without Lessor's express prior written consent, (i) Lessee or any guarantor of this Lease Agreement sells, conveys all or substantially all of its assets, (ii) Lessee or any guarantor of this Lease Agreement merges, consolidates, liquidates, dissolves or combines its assets with any other entity, or (iii) if Lessee or any guarantor of this Lease Agreement is a corporation, partnership, limited liability company or other entity, more than 50% of the outstanding equity interests of Lessee or such guarantor are owned directly or indirectly at any time during the Term of this Lease Agreement by a person or group of persons other than the person(s) who held all of the outstanding equity interests on the date of this Lease Agreement;
(6) any representations or warranties made at any time by Lessee or any guarantor in this Lease Agreement or in any agreement, statement, certificate, financial or credit information provided in connection herewith are false or misleading when made;
(7) Lessee or any guarantor of this Lease Agreement defaults under or otherwise has accelerated any material obligation, credit agreement, loan agreement, conditional sales contract, lease, indenture or debenture with the Lessor; or Lessee or any guarantor of this Lease Agreement defaults under any other agreement now existing or hereafter made with Lessor, including an Equipment Purchase Agreement; or
(8) the breach or repudiation by any party thereto of any guaranty, subordination agreement or other agreement running in favor of Lessor obtained in connection with this Lease Agreement.

17. **REMEDIES**: Should any Event of Default occur and be continuing, Lessor may, in order to protect its interests and reasonably expected profits, with or without notice or demand upon Lessee, pursue and enforce, alternatively, successively and/or concurrently, any one or more of the following remedies:

(1) recover from Lessee all accrued and unpaid Lease Charges and other amounts due and owing on the date of the default;

(2) recover from Lessee from time to time all Lease Charges and other amounts as and when becoming due hereunder;
(3) accelerate, cause to become immediately due and recover the present value of all Lease Charges and other amounts due and/or likely to become due hereunder from the date of the default to the end of the lease term using a discount rate of three (3%) percent;
(4) cause to become immediately due and payable and recover from Lessee the Casualty Loss Value of the Equipment;
(5) terminate any or all of the Lessee's rights, but not its obligations, associated with the lease of Equipment under this Lease Agreement;
(6) retake (by Lessor, independent contractor, or by requiring Lessee to assemble and surrender the Equipment in accordance with the provisions of Section 7 hereinabove) possession of the Equipment without terminating the Lease Schedule or the Lease Agreement free from claims by Lessee which claims are hereby expressly waived by Lessee;
(7) require Lessee to deliver the Equipment to a location designated by Lessor;
(8) proceed by court action to enforce performance by Lessee of its obligations associated with any Lease Schedule and/or this Lease Agreement; and/or
(9) pursue any other remedy Lessor may otherwise have, at law, equity or under any statute, and recover damages and expenses (including attorneys' fees) incurred by Lessor by reason of the Event of Default.

Upon repossession of the Equipment, Lessor shall have the right to lease, sell or otherwise dispose of such Equipment in a commercially reasonable manner, with or without notice, at a public or private sale. Lessor's pursuit and enforcement of any one or more remedies shall not be deemed an election or waiver by Lessor of any other remedy. Lessor shall not be obligated to sell or re-lease the Equipment. Any sale or release may be held at such place or places as are selected by Lessor, with or without having the Equipment present. Any such sale or re-lease, may be at wholesale or retail, in bulk or in parcels. Time and exactitude of each of the terms and conditions of this Lease Agreement are hereby declared to be of the essence. Lessor may accept past due payments in any amount without modifying the terms of this Lease Agreement and without waiving any rights of Lessor hereunder.

18. **COSTS AND ATTORNEYS' FEES**: In the event of any default, claim, proceeding, including a bankruptcy proceeding, arbitration, mediation, counter-claim, action (whether legal or equitable), appeal or otherwise, whether initiated by Lessor or Lessee (or a debtor-in-possession or bankruptcy trustee), which arises out of; under, or is related in any way to this Lease Agreement, any Lease Schedule, or any other document, agreement or instrument executed pursuant hereto or in connection herewith, or any governmental examination or investigation of Lessee, which requires Lessor's participation (individually and collectively, the "Claim"), Lessee, in addition to all other sums which Lessee may be called upon to pay under the provisions of this Lease Agreement, shall pay to Lessor, on demand, all costs, expenses and fees paid or payable in connection with the Claim, including, but not limited to, attorneys' fees and out-of-pocket costs, including travel and related expenses incurred by Lessor or its attorneys.

19. **LESSOR'S PERFORMANCE OPTION**: Should Lessee fail to make any payment or to do any act as provided by this Lease Agreement, then Lessor shall have the right (but not the obligation), without notice to Lessee of its intention to do so and without releasing Lessee from any obligation hereunder to make or to do the same, to make advances to preserve the Equipment or Lessor's title thereto, and to pay, purchase, contest or compromise any insurance premium, encumbrance, charge, tax, lien or other sum which in the judgment of Lessor appears to affect the Equipment, and in exercising any such rights, Lessor may incur any liability and expend whatever amounts in its absolute discretion it may deem necessary therefor. All sums so incurred or expended by Lessor shall be due and payable by Lessee within ten (10) days of notice thereof

20. **QUIET POSSESSION**: Lessor hereby covenants with Lessee that Lessee shall quietly possess the Equipment subject to and in accordance with the provisions hereof so long as Lessee is not in default hereunder.

21. **ASSIGNMENTS**: This Lease Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Lessee, however, shall not assign this Lease Agreement or sublet any of the Equipment without first obtaining the express prior written consent of Lessor and its assigns, if any. If express prior written consent for either an assignment or change of control, defined as any of the events in section 16(5), is not provided by Lessor, Lessee shall purchase the Equipment from Lessor, in consideration for: CO forty-five (45) percent of the Equipment's original cost; plus (ii) all amounts then due and owing (including late fees and taxes); plus (ii) the present value of all future Monthly Lease Charges for the Initial Term or any then applicable renewal term thereafter discounted at a rate of three (3) percent. The sum of (1i, (ii) and (iii) shall be payable at the close of the transaction requiring Lessor's consent, and the Lessor shall transfer the ownership of the Equipment to Lessee and terminate the Lease Agreement. Lessee acknowledges that the terms and conditions of this Lease Agreement have been fixed in anticipation of the possible assignment of Lessor's rights under this Lease Agreement and in and to the Equipment as collateral security to a third party ("Assignee" herein) which will rely upon and be entitled to the benefit of the provisions of this Lease Agreement. Lessee agrees to provide Lessor or its potential assigns with Lessee's most recent audited and its most current financial statements. Lessee agrees with Lessor and such Assignee to recognize in writing any such assignment within fifteen (15) days after receipt of written notice thereof and to pay thereafter all sums due to Lessor hereunder directly to such Assignee if directed by Lessor, notwithstanding any defense, set-off or counterclaim whatsoever (whether arising from a breach of this Lease Agreement or not) that Lessee may from time to time have against Lessor. Upon such assignment, the Lessor shall remain obligated to perform any obligations it may have under this Lease Agreement and the Assignee shall (unless otherwise expressly agreed to in writing by the Assignee) have no obligation to perform such obligations. Any such assignment shall be subject to Lessee's rights to use and possess the Equipment so long as Lessee is not in default hereunder.

22. **SURVIVAL OF OBLIGATIONS**: All covenants, agreements, representations, and warranties contained in this Lease Agreement, any Lease Schedule, or in any document attached thereto, shall be for the benefit of Lessor and Lessee and their successors, any assignee or secured party. Further, all covenants, agreements, representations, and warranties contained in this Lease Agreement, any Lease Schedule, or in any document attached thereto, shall survive the execution and delivery of this Lease Agreement and the expiration or other termination of this Lease Agreement.

23. **CORPORATE AUTHORITY**: The parties hereto covenant and warrant that the persons executing this Lease Agreement and each Lease Schedule on their behalf have been duly authorized to do so, and this Lease Agreement and any Lease Schedule constitute a valid and binding obligation of the parties hereto. The Lessee will, if requested by Lessor, provide to Lessor, Certificates of Authority naming the officers of the Lessee who have the authority to execute this Lease Agreement and any Lease Schedules attached thereto.

24. **MISCELLANEOUS**: This Lease Agreement, the Lease Schedule(s), attached riders and any documents or instruments issued or executed pursuant hereto will have been made, executed and delivered in, and will be governed by the internal laws (as opposed to conflicts of law provisions) and decisions of, the State of Minnesota. Lessee and Lessor consent to jurisdiction of any local, state or federal court located within Minnesota. Venue will be in Minnesota and Lessee hereby waives local venue and any objection relating to Minnesota being an improper venue to conduct any proceeding relating to this Lease Agreement. At Lessor's sole election and determination, Lessor may select an alternative forum, including arbitration or mediation, to adjudicate any dispute arising out of this Lease Agreement. THE PARTIES HERETO, AFTER CONSULTING (OR HAVING HAD AN OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR CHOICE, KNOWINGLY AND VOLUNTARILY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO THIS LEASE, INCLUDING ANY LITIGATION REGARDING THE ENFORCEMENT OF THIS LEASE OR ANY RELATED AGREEMENT.

This Lease Agreement was jointly drafted by the parties, and the parties hereby agree that neither should be favored in the construction, interpretation or application of any provision or any ambiguity. There are no unwritten or oral agreements between the parties. This Lease Agreement and associated Lease Schedule(s) constitute the entire understanding and agreement between Lessor and Lessee with respect to the lease of the Equipment superseding all prior agreements, understandings, negotiations, discussions, proposals, representations, promises, commitments and offers between the parties, whether oral or written. No provision of this Lease Agreement or any Lease Schedule shall be deemed waived, amended, discharged or modified orally or by custom, usage or course of conduct unless such waiver, amendment or modification is in writing and signed by an officer of each of the parties hereto. If any one or more of the provisions of this Lease Agreement or any Lease Schedule is for any reason held invalid, illegal or unenforceable, the remaining provisions of this Lease Agreement and any such Lease Schedule will be unimpaired, and the invalid, illegal or unenforceable provisions shall be replaced by a mutually acceptable valid, legal and enforceable provision that is closest to the original intention of the parties. To the best of Lessee's knowledge, neither the manufacturer, nor the supplier, nor any of their salespersons, employees or agents are agents of Lessor.

Any notice provided for herein shall be in writing and sent by certified or registered mail to the parties at the addresses stated on page 1 of this Lease Agreement. This Lease Agreement shall not become effective until delivered to Lessor at its offices at Minnetonka, Minnesota and executed by Lessor. If this Lease Agreement shall be executed by Lessor prior to being executed by Lessee, it shall become void at Lessor's option five (5) days after the date of Lessor's execution hereof, unless Lessor shall have received by such date a copy hereof executed by a duly authorized representative of Lessee.

This Lease Agreement is made subject to the terms and conditions included herein and Lessee's acceptance is effective only to the extent that such terms and conditions are consistent with the terms and conditions herein. Any acceptance which contains terms and conditions which are in addition to or inconsistent with the terms and conditions herein will be a counter-offer and will not be binding unless agreed to in writing by Lessor.

The terms used in this Lease Agreement, unless otherwise defined, shall have the meanings ascribed to them in the Lease Schedule(s).

25. **REPOSSESSION**: LESSEE ACKNOWLEDGES THAT, PURSUANT TO SECTION 17 HEREOF, LESSOR HAS BEEN GIVEN THE RIGHT TO REPOSSESS THE EQUIPMENT SHOULD LESSEE BECOME IN DEFAULT OF ITS OBLIGATIONS HEREUNDER. LESSEE HEREBY WAIVES THE RIGHT, IF ANY, TO REQUIRE LESSOR TO GIVE LESSEE NOTICE AND A JUDICIAL HEARING PRIOR TO EXERCISING SUCH RIGHT OF REPOSSESSION.

26. **NET LEASE**: This Lease Agreement is a net lease and Lessee's obligations to pay all Lease Charges and other amounts payable hereunder shall be absolute and unconditional and, except as expressly provided herein, shall not be subject to any: (i) delay, abatement, reduction, defense, counterclaim, set-off, or recoupment; (ii) discontinuance or termination of any license; (iii) Equipment failure, defect or deficiency; (iv) damage to or destruction of the Equipment; or (v) dissatisfaction with the Equipment or otherwise, including any present or future claim against Lessor or the manufacturer, supplier, reseller or vendor of the Equipment. To the extent that the Equipment includes intangible (or intellectual) property, Lessee understands and agrees that: (i) Lessor is not a party to and does not have any responsibility under any software license and/or other agreement with respect to any software; and (ii) Lessee will be responsible to pay all of the Lease Charges and perform all its other obligations under this Lease Agreement despite any defect, deficiency, failure, termination, dissatisfaction, damage or destruction of any software or software license. Except as expressly provided herein, this Lease Agreement shall not terminate for any reason, including any defect in the Equipment or Lessor's title thereto or any destruction or loss of use of any item of Equipment.

27. **HEADINGS**: Section headings herein are used for convenience only and shall not otherwise affect the provisions of this Lease Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Lease Agreement to be signed by their respective duly authorized representative.

Every Term is Agreed to and Accepted: **FARNAM STREET FINANCIAL, INC.**	**Every Term is Agreed to and Accepted:** **KNIGHTSCOPE, INC.**
By: /s/ Steven Morgan	By: /s/ William Santana Li
Print Name: Steven Morgan	Print Name: William Santana Li
Title: President	Title: Chairman and CEO
Date: 2/18/2019	Date: 2/14/19

ADDENDUM. NO. 1.

This transaction is a true lease and is not intended by the parties as a secured transaction. Filing is only intended to make the true lease a matter of public record. Farnam Street Financial, Inc. is the owner of all the equipment contained on this filing and any and all other equipment now or hereafter the subject of any lease agreement or lease schedule by and between the parties and all accessories, attachments, additions, and any substitutions and/or replacement of the equipment contained on this filing or any lease agreement or lease schedule between the parties. The lessee has no rights, express or implied, to sell, exchange, encumber, or otherwise dispose of any equipment contained on this filing or any lease agreement or lease schedule by and between the parties. The parties agree that this financing statement covers any and all equipment now or hereafter the subject of any lease agreement or lease schedule by and between the parties, including, but not limited to equipment contained on or subject to Lease Agreement Number KN020819 or any lease schedule executed pursuant thereto, together with all substitutions, replacements, accessions, process, rent, revenue, insurance, and proceeds related to the equipment contained on this filing or any lease agreement or lease schedule by and between the parties.

Every Term is Agreed to and Accepted:
FARNAM STREET FINANCIAL, INC.

By: /s/ Steven Morgan

Print Name: Steven Morgan

Title: President

Date: 2/18/2019

Every Term is Agreed to and Accepted:
KNIGHTSCOPE, INC.

By: /s/ William Santana Li

Print Name: William Santana Li

Title: Chairman and CEO

Date: 2/14/19

Exhibit 3.5

Rider Number:	**001**
Lease Agreement Number:	KN020819
Lease Schedule Number(s):	ALL
Lessee Name:	KNIGHTSCOPE, INC.
Lease Agreement Dated:	FEBRUARY 8, 2019

MONTHLY LEASE CHARGE ADJUSTMENT

This Lease Schedule is intended to be a fixed rate lease during the installation period and from the Commencement Date to the end of the initial term. The three-year treasury rate is an integral part of calculating the Monthly Lease Charge for this Lease Schedule. The Lessor and Lessee agree that the Monthly Lease Charge shall be fixed upon execution of this Lease and that should the three year treasury note increase between the execution of this Lease Schedule and the Commencement Date, the Monthly Lease Charge will be adjusted on the Commencement Date to reflect such increase and will then be fixed for the initial term of this Lease Schedule.

Every Term is Agreed to and Accepted:
FARNAM STREET FINANCIAL, INC.
"LESSOR"

By: /s/ Steven Morgan

Print Name: Steven Morgan

Title: President

Date: 2/18/2019

Every Term is Agreed to and Accepted:
KNIGHTSCOPE, INC.
"LESSEE"

By: /s/ William Santana Li

Name: William Santana Li

Title: Chairman and CEO

Date: 2/14/19

Rider Number: **002**

Lease Agreement Number: **KN020819**

Lease Schedule Number: **ALL**

Lessee Name: **KNIGHTSCOPE, INC.**

Lease Agreement Dated: **FEBRUARY 8, 2019**

RIGHT OF FIRST REFUSAL

Lessee shall notify Lessor ("Third Party Lease Offer Notice") within five (5) business days of receiving any bona fide offer from a third party to lease equipment to Lessee, which offer Lessee intends to accept (a "Third Party Offer"). Nor to accepting such offer, Lessee shall make an offer (the "Right of First Refusal") to lease the equipment which is the subject of the Third Party Offer (the "Offered Lease") from Lessor upon the same terms and conditions of the Third Party Offer and in accordance with the terms and conditions set forth below.

(a) Notice. The Third Party Lease Offer Notice shall state the economic terms (including, but not limited to, equipment cost, monthly rental amount, purchase options), the terms and conditions of the Third Party Offer and the name of the third party offeror, together with a copy of all writings between the third party offeror and Lessee necessary to establish the terms of the Third Party Offer. Upon receipt of the Third Party Lease Offer Notice, Lessor shall have the right but not the obligation to enter into the Offered Lease with Lessee upon the terms and conditions of the Third Party Offer, subject to subparagraph (b) below.

(b) Exercise. The Right of First Refusal shall fist be exercisable by Lessor with respect to all, but not less than all, of the Offered Equipment by delivery of written notice of exercise to Lessee within ten (10) days after receipt of the Third Party Lease Offer Notice. If Lessor does not exercise its Right of First Refusal within the time period as set forth above, the Right of First Refusal shall be deemed to have expired.

(c) Expiration. The Right of First Refusal shall terminate three (3) years from later of (i) the date of the Lease Agreement or (ii) the termination date of the last Lease Schedule.

(d) Default. Should Lessee accept a Third Party Offer without either providing Lessor with a Third Party Lease Offer Notice or, when notice has been provided, allowing Lessor to enter into the Offered Lease, Lessee will pay to Lessor a fee equal to ten (10) percent of the equipment cost subject to the Offered Lease within thirty (30) days of executing the Offered Lease. Any security deposits paid under Lease Schedules covered hereunder shall be held by Lessor until the expiration of this rider.

Every Term is Agreed to and Accepted:
FARNAM STREET FINANCIAL, INC.
"LESSOR"

By: /s/ Steven Morgan

Print Name: Steven Morgan

Title: President

Date: 2/18/2019

Every Term is Agreed to and Accepted:
KNIGHTSCOPE, INC.
"LESSEE"

By: /s/ William Santana Li

Print Name: William Santana Li

Title: Chairman and CEO

Date: 2/14/19

LEASE SCHEDULE NO. 001

This Lease Schedule is issued pursuant to the Lease Agreement Number KN020819 dated February 8, 2019. The terms of the Lease Agreement and serial numbers contained on Certificates of Acceptance are a part hereof and are incorporated by reference herein.

LESSOR: Farnam Street Financial, Inc., 5850 Opus Parkway, Suite 240, Minnetonka, MN 55343
LESSEE: Knightscope, Inc., 1070 Terra Bella Avenue, Mountain View, CA 94043
SUPPLIER OF EQUIPMENT: Knightscope, Inc.
LOCATION OF EQUIPMENT: Various
Initial Term of Lease from Commencement Date: 24 Months
Monthly Lease Charge: $121,060.00
Anticipated Delivery and Installation: February 2019
Projected Commencement Date: March I, 2019
Security Deposit: Upon Lessee's execution of this Lease Schedule, Lessee shall deliver a security deposit in the amount of $242,120.00. Provided that there has been no event of default and Lessee has returned all of the Equipment under this Lease Schedule per the terms of the Lease Agreement, this security deposit will be returned to Lessee.

EQUIPMENT

MANUFACTURER	QTY	MACHINE/MODEL	EQUIPMENT DESCRIPTION (including features)
Knightscope, Inc.	50	Kl, K3, K5	Knightscope Autonomous Data Machines

The cost of all the Equipment on this Lease Schedule shall total $3,000,000.00. The Monthly Lease Charge listed above is calculated based on the agreement that this cost will be comprised of $3,000,000.00 of Knightscope Autonomous Data Machines (the "KADM") at a lease rate factor of 0.040353 per $1.00 and $0.00 of non-hardware costs, other than those bundled with the KADM, at a lease rate factor of 0.047459 per $1.00. Should the total cost of the Equipment exceed that indicated above, Lessor and Lessee agree that the Monthly Lease Charge above will be increased to reflect this additional cost at the Installation Date of the additional Equipment. If the total cost of non-hardware exceeds that indicated above, the hardware portion of the commitment above will be increased dollar for dollar by the amount of the additional non-hardware. This Lease Schedule No. 001 will Commence on the first of the month following the later of (i) the date the Lessee has satisfied its commitment to install all the Equipment, as described above; or (ii) Lessor's receipt of Lessee's executed commencing Lease Schedule; however, Lessor may, at its sole discretion, close and Commence this Lease Schedule at an earlier date. A revised Lease Schedule No. 001R to replace this Lease Schedule No. 001 shall be executed by both parties to reflect the actual Equipment cost accepted and the commensurate Monthly Lease Charge, including any adjustments required under the Monthly Lease Charge Adjustment Rider. The Monthly Lease Charge will be prorated and charged as interim rent between the Installation Date of each item of equipment, as Lessee indicates on the Certificate(s) of Acceptance, and the Commencement Date. Interim rent due prior to the Commencement Date shall not reduce or offset Lessee's post-Commencement Monthly Lease Charge obligations hereunder.

NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE LEASE AGREEMENT, at the expiration of the Initial Term of the Lease, Lessee shall exercise one of the following options:

1. purchase some or all of the Equipment at the expiration of the Initial Term of the Lease for a purchase price of forty-five (45) percent of the original cost of the Equipment upon satisfaction of the following conditions: (a) Lessee gives Lessor written notice at least 120 days but not more than 180 days before the expiration of the Initial Term of the Lease of Lessee's election to purchase the Equipment hereunder; (b) Lessee pays the purchase price (plus applicable taxes) on or before the expiration of the Initial Term of the Lease; and (c) if Lessee purchases less than all of the Equipment, Lessee executes Lessor's documentation to both remove the Purchased Equipment from the Lease Schedule and confirm that remaining Equipment shall renew according to section 2 below on a prorated basis If there is a default in the Lease existing when the purchase price is received, Lessor may apply the funds received to cure the default. .

2. if Lessee for any reason does not purchase all of the Equipment pursuant to and in accordance with the option granted in section I above, then this Lease Schedule, with respect to all the Equipment not purchased pursuant to section I above, shall renew for a renewal period of 24 months beginning at the expiration date of the Initial Term of this Lease Schedule at a Monthly Lease. Charge of fifty-five (55) percent of the Initial Term Monthly Lease Charge. Lessee shall have the option to purchase Equipment beginning at the end of month twelve of the renewal period for twenty (20) percent of the original cost. At the end of this renewal period, the Lease Schedule shall continue or terminate according to the provisions in the Lease Agreement.

Every Term is Agreed to and Accepted:
FARNAM STREET FINANCIAL, INC.
"LESSOR"

By: /s/ Steven Morgan

Print Name: Steven Morgan

Title: President

Date: 2/18/2019

Every Term is Agreed to and Accepted:
KNIGHTSCOPE, INC.
"LESSEE"

By: /s/ William Santana Li

Print Name: William Santana Li

Title: Chairman and CEO

Date: 2/14/19

LEASE SCHEDULE NO. 001R
"This Lease Schedule No. 0018 replaces Lease Schedule No. 001."

This Lease Schedule is issued pursuant to the Lease Agreement Number KN020819 dated February 8, 2019. The terms of the Lease Agreement and serial numbers contained on Certificates of Acceptance Number KN020819-001-001 are a part hereof and are incorporated by reference herein.

LESSOR: Farnam Street Financial, Inc., 5850 Opus Parkway, Suite 240, Minnetonka, MN 55343
LESSEE: Knightscope, Inc., 1070 Terra Bella Avenue, Mountain View, CA 94043
SUPPLIER OF EQUIPMENT: Knightscope, Inc.
LOCATION OF EQUIPMENT: Same as above
Initial Term of Lease from Commencement Date: 24 Months
Monthly Lease Charge: $121,128.88
Delivery and Installation: February 2019 — March 2019
Commencement Date: April 1, 2019
Security Deposit: $242,120.00. Provided that there has been no event of default and Lessee has returned all of the Equipment under this Lease Schedule per the terms of the Lease Agreement, this security deposit will be returned to Lessee.

EQUIPMENT

MANUFACTURER	QTY	MACHINE/MODEL	EQUIPMENT DESCRIPTION (including features)
			See Attachment A

The total Equipment cost on this Lease Schedule is $3,000,000.00. Interim rent billed prior to the Commencement date shall not reduce or offset Lessee's post-Commencement Monthly Lease Charge obligations hereunder.

NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE LEASE AGREEMENT, at the expiration of the Initial Term of the Lease, Lessee shall exercise one of the following options:

1. purchase some or all of the Equipment at the expiration of the Initial Term of the Lease for a purchase price of forty-five (45) percent of the original cost of the Equipment upon satisfaction of the following conditions: (a) Lessee gives Lessor written notice at least 120 days but not more than 180 days before the expiration of the Initial Term of the Lease of Lessee's election to purchase the Equipment hereunder; (b) Lessee pays the purchase price (plus applicable taxes) on or before the expiration of the Initial Term of the Lease; and (c) if Lessee purchases less than all of the Equipment, Lessee executes Lessor's documentation to both remove the Purchased Equipment from the Lease Schedule and confirm that remaining Equipment shall renew according to section 2 below on a prorated basis If there is a default in the Lease existing when the purchase price is received, Lessor may apply the funds received to cure the default. .

2. if Lessee for any reason does not purchase all of the Equipment pursuant to and in accordance with the option granted in section 1 above, then this Lease Schedule, with respect to all the Equipment not purchased pursuant to section 1 above, shall renew for a renewal period of 24 months beginning at the expiration date of the Initial Term of this Lease Schedule at a Monthly Lease Charge of fifty-five (55) percent of the Initial Term Monthly Lease Charge. Lessee shall have the option to purchase Equipment beginning at the end of month twelve of the renewal period for twenty (20) percent of the original cost. At the end of this renewal period, the Lease Schedule shall continue or terminate according to the provisions in the Lease Agreement.

Every Term is Agreed to and Accepted:
FARNAM STREET FINANCIAL, INC.
"LESSOR"

By: /s/ Steven Morgan
Print Name: Steven Morgan
Title: President
Date: April 10, 2019

Every Term is Agreed to and Accepted:
KNIGHTSCOPE, INC.
"LESSEE"

By: /s/ William Santana Li
Name: William Santana Li
Title: Chairman and CEO
Date: 4/9/19

ATTACHMENT A

MANUFACTURER	QTY	MACHINE/MODEL	EQUIPMENT DESCRIPTION (incl. features)

[REDACTED]

Agreed to and Accepted:

FARNAM STREET FINANCIAL, INC.
"LESSOR"

By: /s/ Steven Morgan

Print Name: Steven Morgan

Title: President

Date: April 10, 2019

Agreed to and Accepted:

KNIGHTSCOPE, INC.
"LESSEE"

By: /s/ William Santana Li

Print Name: William Santana Li

Title: Chairman and CEO

Date: 4/9/19

Exhibit 3.6

KNIGHTSCOPE, INC.

SERIES M-4 PREFERRED STOCK PURCHASE AND EXCHANGE AGREEMENT

This Series m-4 Preferred Stock Purchase and Exchange Agreement (this "**Agreement**") is dated as of [_____], and is between Knightscope, Inc., a Delaware corporation (the "**Company**"), and [_____] ("**Purchaser**").

SECTION 1.
AUTHORIZATION, SALE AND ISSUANCE

1.1 Purchase; Exchange; Sale and Issuance of Shares. Subject to the terms and conditions of this Agreement, Purchaser agrees to purchase, and the Company agrees to sell and issue to Purchaser, [_____] shares of Series m-4 Preferred Stock (the "**Shares**") in exchange for the same number of shares of Series m-3 Preferred Stock (the "**Exchanged Shares**").

1.2 Authorization. The Company has authorized: (a) the sale and issuance of the Shares, having the rights, privileges, preferences and restrictions set forth in the Amended and Restated Certificate of Incorporation of the Company (the "**Restated Certificate**"); and (b) the reservation of shares of Class A Common Stock for issuance upon conversion of the Shares (the "**Conversion Shares**").

1.3 Conversion. Subject to the limitations set forth in Delaware General Corporation Law §160 and Delaware common law, the Purchaser may after the date hereof elect to purchase, and the Company agrees to sell and issue to Purchaser, in exchange for the Shares (the "**Exchange**"), a subordinated convertible promissory note for $[_____] plus the value all paid and unpaid but accrued dividends on the Shares that are paid or payable in Shares (where each Share paid or accrued as a dividend is deemed to have a value equal to its then applicable Dividend Rate as provided in the Company's Certificate of Incorporation (and subject to adjustments as provided therein), such that as of the date hereof the applicable Dividend Rate is $0.42) with a four year term to maturity, the form of which will be substantially the same form as that certain Subordinated Convertible Promissory Note, dated as of or about the date hereof, by and between the Company and Proud Ventures KS LLC (except with respect to the Conversion Price as defined therein, which shall be equal to $3.50 per share, subject to adjustment as provided therein). The Company will notify the Purchaser when the Company's ability to exchange the Shares for the promissory note is not limited by Delaware General Corporation Law Section 160 and Delaware common law.

SECTION 2.
CLOSING DATES, PURCHASE PROCEDURE AND DELIVERY

2.1 Closing. The purchase, sale and issuance of the Shares shall take place simultaneously with the "Closing" as defined in the Note and Warrant Purchase Agreement dated as of or around the date hereof by and between the Company and the Purchaser (the "**Closing**"). At the Closing, if applicable, Purchaser shall deliver to the Company one or more stock certificates representing the Exchanged Shares (or, if such certificate(s) have been lost or destroyed, an affidavit of loss with respect thereto in form and substance reasonably satisfactory to the Company) and the Company shall instruct its transfer agent to record the Exchange Stockholder as the owner of the Shares on the Company's books and records.

2.2 Assignment Separate From Certificate. Upon the execution of this Agreement, Purchaser shall deliver the Assignment Separate from Certificate attached hereto as Exhibit A whereby Purchaser shall convey the Exchanged Shares to the Company.

2.3 Acknowledgement. Purchaser acknowledges that from and after the date hereof, the Company will be the owner of all right, title and interest in and to the Exchanged Shares and that Purchaser's rights as a stockholder with respect to the Exchanged Shares, including without limitation the right to vote or receive cash or stock dividends, shall cease as to the Exchanged Shares.

2.4 Status of Exchanged Shares. Following the transactions set forth in this Agreement, the Exchanged Shares shall be cancelled on the books and records of the Company and shall not be held as treasury shares.

2.5 Transfer Agent. The Purchaser shall receive notice and evidence of the digital entry of the number of the Shares owned by Purchaser reflected on the books and records of the Company and verified by the Company's transfer agent (the "**Transfer Agent**"), which books and records shall bear a notation that the Securities were sold in reliance upon Regulation S and/or on Section 4(2) under the Securities Act.

SECTION 3.
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to Purchaser that the following representations and warranties are true and complete in all material respects as of the dates of the Closing and the Exchange, except as otherwise indicated below or disclosed in the filings of the Company made publicly with the Securities and Exchange Commission (the "***SEC***"). For purposes of this Agreement, an individual shall be deemed to have "knowledge" of a particular fact or other matter if such individual is actually aware of such fact.

3.1 Organization, Good Standing and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company has the requisite corporate power and authority to own and operate its properties and assets, to carry on its business as presently conducted, to execute and deliver this Agreement, to issue and sell the Shares and the Conversion Shares and to perform its obligations pursuant to this Agreement and the Restated Certificate. The Company is presently qualified to do business as a foreign corporation in each jurisdiction where the failure to be so qualified could reasonably be expected to have a material adverse effect on the Company's financial condition or business as now conducted (a "**Material Adverse Effect**").

3.2 Capitalization.

(a) Immediately prior to the Closing, the authorized capital stock of the Company will consist of 162,119,473 shares, consisting of 95,500,000 shares of Class A Common Stock, $0.001 par value per share, 30,000,000 shares of Class B Common Stock, $0.001 par value per share, and 36,619,473 shares of Preferred Stock, $0.001 par value per share. The first series of Preferred Stock is designated "Series A Preferred Stock" and consists of 8,936,015 shares. The second Series of Preferred Stock is designated "Series B Preferred Stock" and consists of 4,707,501 shares. The third Series of Preferred Stock is designated "Series m Preferred Stock" and consists of 6,666,666 shares. The fourth series of Preferred Stock is designated "Series m-1 Preferred Stock" and consists of 333,334 shares. The fifth Series of Preferred Stock is designated "Series m-2 Preferred Stock" and consists of 1,660,756 shares. The sixth series of Preferred Stock is designated "Series m-3 Preferred Stock" and consists of 3,490,658 shares. The seventh series of Preferred Stock is designated "Series S Preferred Stock" and consists of 9,375,000 shares. The eighth series of Preferred Stock is designated "Series m-4 Preferred Stock" and consists of 1,449,543 shares. The Common Stock and the Preferred Stock have the rights, preferences, privileges and restrictions set forth in the Restated Certificate.

(b) All issued and outstanding shares of the Company's Common Stock and Preferred Stock (i) have been duly authorized and validly issued and are fully paid and nonassessable, and (ii) were issued in compliance with all applicable state and federal laws concerning the issuance of securities.

(c) The Shares, when issued and delivered and paid for in compliance with the provisions of this Agreement, will be validly issued, fully paid and nonassessable. The Conversion Shares have been duly and validly reserved and, when issued in compliance with the provisions of this Agreement, the Restated Certificate and applicable law, will be validly issued, fully paid and nonassessable. The Shares and the Conversion Shares will be free of any liens or encumbrances, other than any liens or encumbrances created by or imposed upon Purchaser; *provided*, *however*, that the Shares and the Conversion Shares are subject to restrictions on transfer under U.S. state and/or federal securities laws and as set forth herein.

3.3 Authorization. All corporate action on the part of the Company and its directors, officers and stockholders necessary for the authorization, execution and delivery of this Agreement by the Company and the authorization, sale, issuance and delivery of the Shares and the Conversion Shares has been taken or will be taken before the Closing. This Agreement, when executed and delivered by the Company, shall constitute the valid and binding obligation of the Company, enforceable in accordance with its terms, except (i) as limited by laws of general application relating to bankruptcy, insolvency and the relief of debtors, and (ii) as limited by rules of law governing specific performance, injunctive relief or other equitable remedies and by general principles of equity.

3.4 Financial Statements. Complete copies of the Company's consolidated financial statements consisting of the balance sheets of the Company as of December 31, 2017 and the related statements of operations, stockholders' equity and cash flows for the applicable annual period then ended (the "**Financial Statements**") have been made available to Purchaser and appear through EDGAR or, in the case of Financial Statements dated as of December 31, 2017, the Annual Report on Form 1-K filed with the SEC, in each case as amended. The Financial Statements are based on the books and records of the Company and fairly present, in all material respects, the consolidated financial condition of the Company as of the respective dates they were prepared and the results of the operations and cash flows of the Company for the periods indicated. Ernst & Young, which has audited the Financial Statements, is an independent accounting firm within the rules and regulations adopted by the SEC.

3.5 Intellectual Property Ownership. To the knowledge of the Company, the Company owns or possesses or can obtain on commercially reasonable terms sufficient legal rights to all patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses (software or otherwise), information, processes and similar proprietary rights ("**Intellectual Property**") necessary to the business of the Company as presently conducted, the lack of which could reasonably be expected to have a Material Adverse Effect. Except for agreements with its own employees or consultants, standard end-user license agreements, support/maintenance agreements and agreements entered in the ordinary course of the Company's business, there are no outstanding options, licenses or agreements relating to the Intellectual Property, and the Company is not bound by or a party to any options, licenses or agreements with respect to the Intellectual Property of any other person or entity. The Company has not received any written communication alleging that the Company has violated any of the Intellectual Property of any other person or entity.

3.6 Compliance with Other Instruments. The Company is not in violation of any material term of its Restated Certificate or bylaws, each as amended to date, or, to the Company's knowledge, in any material respect of any term or provision of any material mortgage, indebtedness, indenture, contract, agreement, instrument, judgment, order or decree to which it is party or by which it is bound which would have a Material Adverse Effect. To the Company's knowledge, the Company is not in violation of any federal or state statute, rule or regulation applicable to the Company the violation of which would have a Material Adverse Effect. The execution and delivery of this Agreement by the Company, the performance by the Company of its obligations pursuant to this Agreement, and the issuance of the Shares, and the Conversion Shares, will not result in any material violation of, or materially conflict with, or constitute a material default under, the Company's Restated Certificate or bylaws, each as amended to date, or any of its agreements, nor, to the Company's knowledge, result in the creation of any material mortgage, pledge, lien, encumbrance or charge upon any of the properties or assets of the Company.

3.7 Litigation. To the Company's knowledge, there are no actions, suits, proceedings or investigations pending against the Company or its properties (nor has the Company received written notice of any threat thereof) before any court or governmental agency that questions the validity of the Agreements or the right of the Company to enter into them, or the right of the Company to perform its obligations contemplated thereby, or that, either individually or in the aggregate, if determined adversely to the Company, would or could reasonably be expected to have a Material Adverse Effect or result in any change in the current equity ownership of the Company. The Company is not a party or subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality.

3.8 No "Bad Actor" Disqualification. The Company has exercised reasonable care, in accordance with SEC rules and guidance, to determine whether any Covered Person (as defined below) is subject to any of the "bad actor" disqualifications described in Rule 506(d)(1)(i) through (viii) under the Securities Act ("**Disqualification Events**"). To the Company's knowledge, no Covered Person is subject to a Disqualification Event, except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3) under the Securities Act. The Company has complied, to the extent applicable, with any disclosure obligations under Rule 506(e) under the Securities Act. "**Covered Persons**" are those persons specified in Rule 506(d)(1) under the Securities Act, including the Company; any predecessor or affiliate of the Company; any director, executive officer, other officer participating in the offering, general partner, manager or managing member of the Company; any beneficial owner of 20% or more of the Company's outstanding voting equity securities, calculated on the basis of voting power; any promoter (as defined in Rule 405 under the Securities Act) connected with the Company in any capacity at the time of the sale of the Shares; and any person that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of the Shares (a "**Solicitor**"), any general partner or managing member of any Solicitor, and any director, executive officer or other officer participating in the offering of any Solicitor or general partner or managing member of any Solicitor.

SECTION 4.
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

By executing this Agreement, Purchaser (and, if a Purchaser is purchasing the Shares in a fiduciary capacity, the person or persons for whom Purchaser is so purchasing) represents and warrants, which representations and warranties are true and complete in all material respects as of the dates of the Closing and the Exchange:

4.1 No Registration. The Purchaser understands that the Shares and the Conversion Shares, have not been, and will not be, registered under the Securities Act by reason of reliance on an exemption specified in Regulation D, Regulation S and/or on Section 4(2) of the Securities Act, the availability of which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of the Purchaser's representations as expressed herein or otherwise made pursuant hereto. Purchaser further understands that the Shares have not been registered under applicable state securities laws and are being offered and sold pursuant to the exemptions specified in said laws and, unless they are registered, may not be re-offered for sale or resold except in a transaction or as a security exempt under those laws.

4.2 Investment Intent. The Purchaser is acquiring the Shares, and the Conversion Shares, for investment for its own account, not as a nominee or agent, and not with the view to, or for immediate resale in connection with, any distribution thereof, and that the Purchaser has no present intention of selling, granting any participation in, or otherwise distributing the same. The Purchaser further represents that it does not have any contract, undertaking, agreement or arrangement with any person or entity to sell, transfer or grant participation to such person or entity or to any third person or entity with respect to any of the Shares or the Conversion Shares.

4.3 Accredited Investor Status. Purchaser represents that Purchaser is an "accredited investor" within the meaning of Rule 501 of Regulation D under the Securities Act.

4.4 Speculative Nature of Investment. The Purchaser understands and acknowledges that the Company has a limited financial and operating history and that an investment in the Company is highly speculative and involves substantial risks and has taken full cognizance of and understands all of the risk factors relating to the purchase of Shares. The Purchaser can bear the economic risk of the Purchaser's investment and is able, without impairing the Purchaser's financial condition, to hold the Shares and the Conversion Shares for an indefinite period of time and to suffer a complete loss of the Purchaser's investment.

4.5 Company Information. The Purchaser understands that the Company is subject to all the risks that apply to early-stage companies, whether or not those risks are explicitly set out in the filings of the Company made publicly with the SEC. The Purchaser has had an opportunity to ask questions of, and receive answers from, the officers of the Company concerning the Company's business, management and financial affairs, and regarding the terms and conditions of this investment, which questions were answered to its satisfaction. The Purchaser believes that it has received all the information the Purchaser considers necessary or appropriate for deciding whether to purchase the Shares and the Conversion Shares. Purchaser acknowledges that except as set forth herein and in the filings of the Company made publicly with the SEC, no representations or warranties have been made to Purchaser, or to Purchaser's advisors or representative, by the Company or others with respect to the business or prospects of the Company or its financial condition.

4.6 No Public Market. The Purchaser understands and acknowledges that no public market now exists for any of the securities issued by the Company and that the Company has no obligation to list the Shares on any market or take any steps (including registration under the Securities Act or the Securities Exchange Act of 1934, as amended) with respect to facilitating trading or resale of the Shares.

4.7 Authorization.

(a) The Purchaser has all requisite power and authority to execute and deliver this Agreement, to purchase the Shares hereunder and to carry out and perform its obligations under the terms of this Agreement. All action on the part of the Purchaser necessary for the authorization, execution, delivery and performance of this Agreement, and the performance of all of the Purchaser's obligations under this Agreement, has been taken or will be taken before the Closing.

(b) This Agreement, when executed and delivered by the Purchaser, will constitute the valid and legally binding obligation of the Purchaser, enforceable in accordance with its terms except: (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, and (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies or by general principles of equity.

(c) No consent, approval, authorization, order, filing, registration or qualification of or with any court, governmental authority or third person is required to be obtained by the Purchaser in connection with the execution and delivery of this Agreement by the Purchaser or the performance of the Purchaser's obligations hereunder.

4.8 No Brokerage Fees. There are no claims for brokerage commission, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement or related documents based on any arrangement or agreement binding upon the Purchaser. The Purchaser will indemnify and hold the Company harmless against any liability, loss or expense (including, without limitation, reasonable attorneys' fees and out-of-pocket expenses) arising in connection with any such claim.

4.9 Tax Advisors. The Purchaser has reviewed with its own tax advisors the U.S. federal, state, local and foreign tax consequences of this investment and the transactions contemplated by this Agreement. With respect to such matters, the Purchaser relies solely on such advisors and not on any statements or representations of the Company or any of its agents, written or oral. The Purchaser understands that it (and not the Company) shall be responsible for its own tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement.

4.10 Shareholder Information. Within five days after receipt of a request from the Company, the Purchaser hereby agrees to provide such information with respect to its status as a stockholder (or potential stockholder) and to execute and deliver such documents as may reasonably be necessary to comply with any and all laws and regulations to which the Company is or may become subject. Purchaser further agrees that in the event it transfers any Shares or Conversion Shares, it will require the transferee of such Shares or Conversion Shares to agree to provide such information to the Company as a condition of such transfer.

4.11 Legends. The Purchaser understands that the Shares, and any securities issued in respect of or exchange for the Shares, including the Conversion Shares, may bear any one or more legends with respect to restrictions on distribution, transfer, resale, assignment or subdivision of the Shares imposed by the Restated Certificate and applicable federal and state securities laws, including the legend referenced in Section 4.3(i) and the following legend:

THE SHARES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF SAID ACT AND SUCH LAWS. THE SHARES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER SAID ACT AND SUCH LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. THE SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION, OR ANY OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THE INFORMATION PROVIDED. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

THE SHARES REPRESENTED HEREBY ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE, INCLUDING A LOCK-UP PERIOD IN THE EVENT OF A PUBLIC OFFERING, AS SET FORTH IN THE PURCHASE AGREEMENT PURSUANT TO WHICH THESE SHARES WERE ISSUED, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE COMPANY.

4.12 Representations by Non-United States persons. If Purchaser is not a United States person (as defined by Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended), Purchaser hereby represents that it has satisfied itself as to the full observance of the laws of its jurisdiction in connection with any invitation to purchase the Shares and the Conversion Shares or any use of this Agreement, including (i) the legal requirements within the Purchaser's jurisdiction for the purchase of the Shares and the Conversion Shares, (ii) any foreign exchange restrictions applicable to such purchase, (iii) any governmental or other consents that may need to be obtained and (iv) the income tax and other tax consequences, if any, that may be relevant to the purchase, holding, redemption, sale or transfer of such securities. The Purchaser's purchase and payment for, and the Purchaser's continued beneficial ownership of, the Shares and the Conversion Shares will not violate any applicable securities or other laws of the Purchaser's jurisdiction.

SECTION 5.
COVENANTS

5.1 Indemnity. The representations, warranties and covenants made by the Purchaser herein shall survive the relevant Closing. The Purchaser agrees to indemnify and hold harmless the Company and its respective officers, directors and affiliates, and each other person, if any, who controls the Company within the meaning of Section 15 of the Securities Act against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all reasonable attorneys' fees, including attorneys' fees on appeal) and expenses reasonably incurred in investigating, preparing or defending against any false representation or warranty or breach of failure by the Purchaser to comply with any covenant or agreement made by the Purchaser herein or in any other document furnished by the Purchaser to any of the foregoing in connection with this transaction.

5.2 Market Standoff. Purchaser shall not sell or otherwise transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, of any Common Stock (or other securities) of the Company held by such Purchaser (other than those included in the registration) during the period from the filing of a registration statement of the Company relating to the Company's first underwritten initial public offering filed under the Securities Act of 1933, as amended, or any similar successor federal statute and the rules and regulations thereunder, all as the same shall be in effect from time to time (the "**Securities Act**"), until no later than 180 days after the effective date of such registration statement. The obligations described in this section shall not apply to a registration relating solely to employee benefit plans on Form S-l or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a transaction on Form S-4 or similar forms that may be promulgated in the future. The Company may impose stop-transfer instructions and may stamp each such certificate with the second legend set forth in Section 5.3 with respect to the shares of Common Stock (or other securities) subject to the foregoing restriction until the end of such one hundred eighty (180) day (or shorter) period. Purchaser agrees to execute a market standoff agreement with said underwriters in customary form consistent with the provisions of this section.

SECTION 6.
MISCELLANEOUS

6.1 Amendment. Except as expressly provided herein, neither this Agreement nor any term hereof may be amended, waived, discharged or terminated other than by a written instrument referencing this Agreement and signed by the Company and the Purchaser.

6.2 Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be mailed by registered or certified mail, postage prepaid, sent by facsimile or electronic mail or otherwise delivered by hand, messenger or courier service addressed:

(a) if to the Purchaser, to the Purchaser's address or electronic mail address as provided to the Company on the signature page hereto or to such other address as may be specified by written notice from time to time by the Purchaser;

(b) if to the Company, to the attention of the Chief Executive Officer of the Company at 1070 Terra Bella Avenue, Mountain View, CA 94043, or at such other current address as the Company shall have furnished to the Purchaser.

Each such notice or other communication shall for all purposes of this Agreement be treated as effective or having been given (i) if delivered by hand, messenger or courier service, when delivered (or if sent via a nationally-recognized overnight courier service, freight prepaid, specifying next-business-day delivery, one business day after deposit with the courier), or (ii) if sent via mail, at the earlier of its receipt or five days after the same has been deposited in a regularly-maintained receptacle for the deposit of the United States mail, addressed and mailed as aforesaid, or (iii) if sent via electronic mail, when directed to the relevant electronic mail address, if sent during normal business hours of the recipient, or if not sent during normal business hours of the recipient, then on the recipient's next business day.

Subject to the limitations set forth in Delaware General Corporation Law §232(e), Purchaser consents to the delivery of any notice to stockholders given by the Company under the Delaware General Corporation Law or the Company's certificate of incorporation or bylaws by (i) electronic mail to the electronic mail address set forth on the Purchaser's profile on the signature page hereto (or to any other electronic mail address for the Purchaser or other security holder in the Company's records), (ii) posting on an electronic network together with separate notice to the Purchaser or other security holder of such specific posting or (iii) any other form of electronic transmission (as defined in the Delaware General Corporation Law) directed to the Purchaser or other security holder. This consent may be revoked by a Purchaser or other security holder by written notice to the Company and may be deemed revoked in the circumstances specified in Delaware General Corporation Law §232.

6.3 Governing Law. This Agreement shall be governed in all respects by the internal laws of the State of Delaware as applied to agreements entered into among Delaware residents to be performed entirely within Delaware, without regard to principles of conflicts of law.

6.4 Jurisdiction and Venue. Purchaser and the Company irrevocably consents to the exclusive jurisdiction of, and venue in, the state courts in the State of Delaware (or in the event of exclusive federal jurisdiction, the courts of the District of Delaware), in connection with any matter based upon or arising out of this Agreement or the matters contemplated herein, and agrees that process may be served upon them in any manner authorized by the laws of the State of Delaware for such persons.

6.5 Expenses. The Company and the Purchaser shall each pay their own expenses in connection with the transactions contemplated by this Agreement.

6.6 Survival. The representations, warranties, covenants and agreements made in this Agreement shall survive any investigation made by any party hereto and the closing of the transactions contemplated hereby for one year from the date of the Closing.

6.7 Successors and Assigns. This Agreement, and any and all rights, duties and obligations hereunder, shall not be assigned, transferred, delegated or sublicensed by the Purchaser without the prior written consent of the Company. Any attempt by either party without such permission of the other party to assign, transfer, delegate or sublicense any rights, duties or obligations that arise under this Agreement shall be void. Subject to the foregoing and except as otherwise provided herein, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto.

6.8 Entire Agreement. This Agreement supersedes all prior discussions and agreements between the parties with respect to the subjects hereof and constitutes the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof. No party shall be liable or bound to any other party in any manner with regard to the subjects hereof or thereof by any warranties, representations or covenants except as specifically set forth herein or therein.

6.9 Delays or Omissions. Except as expressly provided herein, no delay or omission to exercise any right, power or remedy accruing to any party to this Agreement upon any breach or default of any other party under this Agreement shall impair any such right, power or remedy of such non-defaulting party, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or in any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to any party to this Agreement, shall be cumulative and not alternative.

6.10 Severability. If any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, portions of such provision, or such provision in its entirety, to the extent necessary, shall be severed from this Agreement, and such court will replace such illegal, void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the same economic, business and other purposes of the illegal, void or unenforceable provision. The balance of this Agreement shall be enforceable in accordance with its terms.

6.11 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be enforceable against the parties actually executing such counterparts, and all of which together shall constitute one instrument.

6.12 Electronic Execution and Delivery. A facsimile, telecopy or other electronic reproduction of this Agreement may be executed by one or more parties hereto and delivered by such party by facsimile, e-mail, or any similar electronic transmission device pursuant to which the signature of or on behalf of such party can be seen. Such execution and delivery shall be considered valid, binding and effective for all purposes. At the request of any party hereto, all parties hereto agree to execute and deliver an original of this Agreement as well as any facsimile, telecopy or other reproduction hereof.

6.13 Further Assurances. Each party hereto agrees to execute and deliver, by the proper exercise of its corporate, limited liability company, partnership or other powers, all such other and additional instruments and documents and do all such other acts and things as may be necessary to more fully effectuate this Agreement.

6.14 Waiver of Class Action Claims. THE PARTIES AGREE THAT THEY MAY BRING CLAIMS AGAINST THE OTHER ONLY IN THEIR RESPECTIVE INDIVIDUAL CAPACITIES, AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS, REPRESENTATIVE, OR COLLECTIVE ACTION.

6.15 Obligation of Company. The Company agrees to use its reasonable efforts to enforce the terms of this Agreement, to inform the Purchaser of any breach hereof (to the extent the Company has knowledge thereof) and to assist the Purchaser in the exercise of its rights and the performance of its obligations hereunder.

(*Signature Pages* Follow)

The parties are signing this Agreement as of the date first stated in the introductory clause.

KNIGHTSCOPE, INC.
a Delaware corporation

By: _____
William Santana Li
Chief Executive Officer

(Signature Page to Purchase Agreement)

The parties are signing this Agreement as of the date first stated in the introductory clause.

PURCHASER

[PURCHASER]

By: _____

Name:

Title:

Address: _____

_____

_____

_____

ANNEX I

FORM OF NOTE

EXHIBIT A

ASSIGNMENT SEPARATE FROM CERTIFICATE

FOR VALUE RECEIVED, the undersigned hereby assigns and transfers unto the Company named below, that Number of Shares of the Company's Series m-3 Preferred Stock specified below, standing in the name of the undersigned on the books of the Company, and does hereby irrevocably constitute and appoint both the Secretary of the Company and the Company's attorneys and transfer agent(s), or any of them, to transfer said stock on the books of the Company with full power of substitution in the premises.

COMPANY: Knightscope, Inc.

NUMBER OF SHARES: [_____] shares of Series m-3 Preferred Stock

[PURCHASER]

By: _____

Name:

Title:

Address: _____

_____

_____

Exhibit 3.7

KNIGHTSCOPE, INC.

VOTING PROXY

This voting proxy (this "***Proxy***") is effective as of the date first written below and is made by the undersigned stockholder with respect to the voting of shares of capital stock of Knightscope, Inc., a Delaware corporation (the "***Company***").

WHEREAS, the undersigned stockholder is a holder of shares of the Company's Series m-4 Preferred Stock, and a holder of the Company's Convertible Notes, Series m-3 Preferred Warrants, and Series S Preferred Warrants (collectively, the "***Securities***");

WHEREAS, the undersigned stockholder wishes to appoint William Santana Li (the "***Proxyholder***"), as proxy and attorney in fact with respect to the voting of the undersigned stockholder's Securities and any shares of the Company's capital stock issued upon conversion or exercise of the Securities on all matters submitted to the Company's stockholders subsequent to the date hereof with respect to which the holders of the capital stock of the Company are entitled to vote or take action, subject to and in accordance with the terms and conditions contained herein; and

WHEREAS, the undersigned stockholder wishes to make such appointment, and the Proxyholder wishes to accept such appointment, upon and subject to the terms and conditions contained herein.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

The undersigned stockholder hereby represents and warrants that it is the legal owner of [_____] shares of the Company's Series m-4 Preferred Stock, the Company's Convertible Notes in the principal amount of $[_____], Warrants to purchase [_____] shares of the Company's Series m-3 Preferred Stock and Warrants to purchase [_____] shares of the Company's Series S Preferred Stock (such shares and any shares of the Company's capital stock issued upon conversion or exercise of the Securities, and any of the Company's securities hereafter acquired, collectively, the "***Shares***") as of the date hereof, and with respect to such ownership, the undersigned stockholder hereby constitutes and appoints the Proxyholder, without power of substitution, as its proxy to represent and to vote, including by written consent, in the name of the undersigned stockholder all of the undersigned's Shares, or to refrain from voting the Shares and to exercise any associated waiver rights (including but not limited to waivers of appraisal rights), in the discretion of the Proxyholder and otherwise in accordance with the terms and provisions of this Proxy. The proxy granted pursuant to the immediately preceding sentence is given in consideration of the agreements and covenants of the Company and the undersigned stockholder related to the purchase of Convertible Notes and Warrants by the undersigned stockholder pursuant to a Note and Warrant Purchase Agreement and the Proxyholder is the chief executive officer and significant stockholder of the Company and, as such, the Proxy is coupled with an interest and shall be irrevocable and, notwithstanding anything in Section 212(b) of the Delaware General Corporation Law to the contrary, of infinite duration, unless and until this Proxy terminates in accordance with its terms, provided that the Proxyholder continues to serve as the chief executive officer of the Company.

The undersigned stockholder hereby revokes any and all previous proxies with respect to the Shares and shall not hereafter, unless and until this Proxy terminates in accordance with its terms, grant any other proxy or power of attorney with respect to any of the Shares, deposit any of the Shares into a voting trust or enter into any agreement (other than this Proxy), arrangement or understanding with any person to vote, or grant any proxy or give instructions with respect to the voting of any of the Shares, in each case unless otherwise consented to in writing by Proxyholder.

Any certificate representing any of the Shares subject to this Proxy may be marked by the Company with a legend reading substantially as follows (the Company will remove this legend from any certificate representing Shares at the request of the holder of such certificate when the Shares are no longer subject to this Proxy):

THE SHARES EVIDENCED HEREBY ARE SUBJECT TO A VOTING PROXY (A COPY OF WHICH MAY BE OBTAINED FROM THE ISSUER) AND BY ACCEPTING ANY INTEREST IN SUCH SHARES THE PERSON HOLDING SUCH INTEREST SHALL BE DEEMED TO AGREE TO AND SHALL BECOME BOUND BY ALL THE PROVISIONS OF SAID VOTING PROXY.

The terms and conditions of this Proxy shall be binding upon the successors in interest to any of the Shares. The undersigned stockholder, until termination of this Proxy, agrees not to transfer any of the Securities, the Shares, or any rights or interests therein, unless the transferee has executed a written agreement in a form reasonably acceptable to the Company and to the Proxyholder, pursuant to which such person becomes a party to this Proxy and agrees to be bound by the provisions hereof as though such transferee were deemed to be the undersigned stockholder.

This Proxy and all of the Proxyholder's rights and powers hereunder with respect to the Securities and the Shares shall terminate upon the earliest to occur of (i) a transfer of all Shares held by Proud Ventures KS LLC, (ii) the closing of the Company's first underwritten public offering of the Company's capital stock registered under the Securities Act of 1933, as amended, (iii) the consummation of a Change of Control, (iv) the Proxyholder no longer serves as Chief Executive Officer of the Company for any reason ; and (v) upon the written consent of the undersigned stockholder and the Proxyholder. A "***Change of Control***" shall mean either (a) the acquisition of the Company by another entity by means of any transaction or series of related transactions (including, without limitation, any reorganization, merger or consolidation or stock transfer, but excluding any such transaction effected primarily for the purpose of changing the domicile of the Company or effecting a holding company reorganization), unless the Company's stockholders of record immediately prior to such transaction or series of related transactions hold, immediately after such transaction or series of related transactions, at least 50% of the voting power of the surviving or acquiring entity (*provided* that the sale by the Company of its securities in connection with a bona fide equity financing shall not constitute a Change of Control hereunder), or (b) a sale of all or substantially all of the assets of the Company.

Miscellaneous Provisions.

(a) In the event one or more of the provisions of this Proxy should, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Proxy, and this Proxy shall be construed and interpreted in such manner as to be effective and valid under applicable laws.

(b) It is acknowledged that the rights of the Company, the Proxyholder and the undersigned stockholder under this Proxy are unique, that it will be impossible to measure in money the damages that would be suffered if any of the foregoing fail to comply with any of the obligations herein imposed on them and that in the event of any such failure, an aggrieved person will be irreparably damaged and will not have an adequate remedy at law. Any such party shall, therefore, be entitled to injunctive relief, including specific performance, to enforce such obligations, and if any action shall be brought in equity to enforce any of the provisions of this Proxy, none of the undersigned stockholder, the Company or the Proxyholder shall raise the defense that there is an adequate remedy at law.

(c) This Proxy and all acts and transactions pursuant hereto shall be governed, construed and interpreted in accordance with the laws of the State of Delaware, without giving effect to principles of conflicts of law.

(d) Any term of this Proxy may be amended and the observance of any term of this Proxy may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the undersigned stockholder and the Proxyholder.

(e) Each of the undersigned stockholder and the Proxyholder acknowledges that, in executing this Proxy, the undersigned stockholder has had the opportunity to seek the advice of independent legal counsel, and has read and understood all of the terms and provisions of this Proxy. This Proxy shall not be construed against the undersigned stockholder, the Proxyholder or the Company by reason of the drafting or preparation hereof.

THIS PROXY WILL BE VOTED AS THE PROXYHOLDER DEEMS ADVISABLE.

DATE:

[PROXYHOLDER]

By: _____

Name:

Title:

NOTE: This Proxy should be signed by the stockholder(s) exactly as his or her name appears hereon.

ACKNOWLEDGED AND AGREED TO BY:

WILLIAM SANTANA LI

_____

Exhibit 4.1

KNIGHTSCOPE, INC.

SERIES S PREFERRED STOCK PURCHASE AGREEMENT

This Series S Preferred Stock Purchase Agreement (this "**Agreement**") is dated as of _____, and is between Knightscope, Inc., a Delaware corporation (the "**Company**"), and [_____] ("**Purchaser**").

SECTION 1.
AUTHORIZATION, SALE AND ISSUANCE

1.1 Purchase; Sale and Issuance of Shares. Subject to the terms and conditions of this Agreement, the Purchaser agrees to purchase, and the Company agrees to sell and issue to Purchaser, [___] shares of Series S Preferred Stock (the "**Shares**") at a cash purchase price of $8.00 per share and an aggregate cash purchase price of US$[___] (the "**Purchase Price**").

1.2 Authorization. The Company has authorized: (a) the sale and issuance of the Shares, having the rights, privileges, preferences and restrictions set forth in the amended and restated Certificate of Incorporation of the Company (the "**Restated Certificate**"); and (b) the reservation of shares of Class A Common Stock for issuance upon conversion of the Shares (the "**Conversion Shares**").

1.3 Regulation A Offering. On November 11, 2016, the Company filed a Form 1-A and a related Regulation A Offering Circular with the Securities and Exchange Commission (the "**SEC**") in conjunction with the Company's issuance of Series m Preferred Stock under Regulation A, which is an exemption from registration in the Securities Act for certain public offerings of securities. The Company concluded all sales of stock pursuant to the Regulation A offering in the fourth quarter of 2017. As part of the Company's ongoing compliance with Regulation A of the Securities Act, the Company submits periodic filings to the SEC which can be accessed publicly on EDGAR.

SECTION 2.
CLOSING DATES, PURCHASE PROCEDURE AND DELIVERY

2.1 Closing. The purchase, sale and issuance of the Shares shall take place at the time and place as the Company determines in its sole discretion (the "**Closing**").

2.2 Transfer Agent. The Purchaser shall receive notice and evidence of the digital entry of the number of the Shares owned by Purchaser reflected on the books and records of the Company and verified by the Company's transfer agent (the "**Transfer Agent**"), which books and records shall bear a notation that the Securities were sold in reliance upon Rule 506(c) of Regulation D under the Securities Act. Upon written instruction by the Purchaser, the Transfer Agent may record the Shares beneficially owned by the Purchaser on the books and records of the Company in the name of the Purchaser.

SECTION 3.
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to Purchaser that the following representations and warranties are true and complete in all material respects as of the date of the Closing, except as otherwise indicated below, set forth on the Schedule of Exceptions attached hereto as **Exhibit A**, or disclosed in the filings of the Company made publicly with the SEC required to be filed by it as a result of the Company's issuance of Series m Preferred Stock under Regulation A of the Securities Act (the "**SEC Filings**"). For purposes of this Agreement, an individual shall be deemed to have "knowledge" of a particular fact or other matter if such individual is actually aware of such fact.

3.1 Organization, Good Standing and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company has the requisite corporate power and authority to own and operate its properties and assets, to carry on its business as presently conducted, to execute and deliver this Agreement, to issue and sell the Shares and the Conversion Shares and to perform its obligations pursuant to this Agreement and the Restated Certificate. The Company is presently qualified to do business as a foreign corporation in each jurisdiction where the failure to be so qualified could reasonably be expected to have a material adverse effect on the Company's financial condition or business as now conducted (a "**Material Adverse Effect**").

3.2 Capitalization.

(a) Immediately prior to the Closing, the authorized capital stock of the Company will consist of 159,169,930 shares, consisting of 94,000,000 shares of Class A Common Stock, $0.001 par value per share, 30,000,000 shares of Class B Common Stock, $0.001 par value per share, and 35,169,930 shares of Preferred Stock, $0.001 par value per share. The first series of Preferred Stock is designated "Series A Preferred Stock" and consists of 8,936,015 shares. The second Series of Preferred Stock is designated "Series B Preferred Stock" and consists of 4,707,501 shares. The third Series of Preferred Stock is designated "Series m Preferred Stock" and consists of 6,666,666 shares. The fourth series of Preferred Stock is designated "Series m-1 Preferred Stock" and consists of 333,334 shares. The fifth Series of Preferred Stock is designated "Series m-2 Preferred Stock" and consists of 1,660,756 shares. The sixth series of Preferred Stock is designated "Series m-3 Preferred Stock" and consists of 3,490,658 shares. The seventh series of Preferred Stock is designated "Series S Preferred Stock" and consists of 9,375,000 shares. The Common Stock and the Preferred Stock have the rights, preferences, privileges and restrictions set forth in the Restated Certificate.

(b) All issued and outstanding shares of the Company's Common Stock (i) have been duly authorized and validly issued and are fully paid and nonassessable, and (ii) were issued in compliance with all applicable state and federal laws concerning the issuance of securities.

(c) The Shares, when issued and delivered and paid for in compliance with the provisions of this Agreement, will be validly issued, fully paid and nonassessable. The Conversion Shares have been duly and validly reserved and, when issued in compliance with the provisions of this Agreement, the Restated Certificate and applicable law, will be validly issued, fully paid and nonassessable. The Shares and the Conversion Shares will be free of any liens or encumbrances, other than any liens or encumbrances created by or imposed upon the Purchasers; *provided*, *however*, that the Shares and the Conversion Shares are subject to restrictions on transfer under U.S. state and/or federal securities laws and as set forth herein.

3.3 Authorization. All corporate action on the part of the Company and its directors, officers and stockholders necessary for the authorization, execution and delivery of this Agreement by the Company, the authorization, sale, issuance and delivery of the Shares and the Conversion Shares, and the performance of all of the Company's obligations under this Agreement has been taken or will be taken before the Closing. This Agreement, when executed and delivered by the Company, shall constitute the valid and binding obligation of the Company, enforceable in accordance with its terms, except (i) as limited by laws of general application relating to bankruptcy, insolvency and the relief of debtors, and (ii) as limited by rules of law governing specific performance, injunctive relief or other equitable remedies and by general principles of equity.

3.4 Financial Statements. Complete copies of the Company's consolidated financial statements consisting of the balance sheets of the Company as of December 31, 2017 and the related statements of operations, stockholders' equity and cash flows for the annual period then ended (the "**Financial Statements**") have been made available to the Purchaser and appear in the SEC Filings through EDGAR. The Financial Statements are based on the books and records of the Company and fairly present, in all material respects, the consolidated financial condition of the Company as of the dates they were prepared and the results of the operations and cash flows of the Company for the period indicated. Ernst & Young LLP, which has audited the Financial Statements, is an independent accounting firm within the rules and regulations adopted by the SEC.

3.5 Intellectual Property Ownership. To the knowledge of the Company, the Company owns or possesses or can obtain on commercially reasonable terms sufficient legal rights to all patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses (software or otherwise), information, processes and similar proprietary rights ("**Intellectual Property**") necessary to the business of the Company as presently conducted, the lack of which could reasonably be expected to have a Material Adverse Effect. Except for agreements with its own employees or consultants, standard end-user license agreements, support/maintenance agreements and agreements entered in the ordinary course of the Company's business, there are no outstanding options, licenses or agreements relating to the Intellectual Property, and the Company is not bound by or a party to any options, licenses or agreements with respect to the Intellectual Property of any other person or entity. The Company has not received any written communication alleging that the Company has violated any of the Intellectual Property of any other person or entity.

3.6 Compliance with Other Instruments. The Company is not in violation of any material term of its Restated Certificate or bylaws, each as amended to date, or, to the Company's knowledge, in any material respect of any term or provision of any material mortgage, indebtedness, indenture, contract, agreement, instrument, judgment, order or decree to which it is party or by which it is bound which would have a Material Adverse Effect. To the Company's knowledge, the Company is not in violation of any federal or state statute, rule or regulation applicable to the Company the violation of which would have a Material Adverse Effect. The execution and delivery of this Agreement by the Company, the performance by the Company of its obligations pursuant to this Agreement, and the issuance of the Shares, and the Conversion Shares, will not result in any material violation of, or materially conflict with, or constitute a material default under, the Company's Restated Certificate or bylaws, each as amended to date, or any of its agreements, nor, to the Company's knowledge, result in the creation of any material mortgage, pledge, lien, encumbrance or charge upon any of the properties or assets of the Company.

3.7 Litigation. To the Company's knowledge, there are no actions, suits, proceedings or investigations pending against the Company or its properties (nor has the Company received written notice of any threat thereof) before any court or governmental agency that questions the validity of the Agreements or the right of the Company to enter into them, or the right of the Company to perform its obligations contemplated thereby, or that, either individually or in the aggregate, if determined adversely to the Company, would or could reasonably be expected to have a Material Adverse Effect or result in any change in the current equity ownership of the Company. The Company is not a party or subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality.

3.8 No "Bad Actor" Disqualification. The Company has exercised reasonable care, in accordance with SEC rules and guidance, to determine whether any Covered Person (as defined below) is subject to any of the "bad actor" disqualifications described in Rule 506(d)(1)(i) through (viii) under the Securities Act ("**Disqualification Events**"). To the Company's knowledge, no Covered Person is subject to a Disqualification Event, except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3) under the Securities Act. The Company has complied, to the extent applicable, with any disclosure obligations under Rule 506(e) under the Securities Act. "**Covered Persons**" are those persons specified in Rule 506(d)(1) under the Securities Act, including the Company; any predecessor or affiliate of the Company; any director, executive officer, other officer participating in the offering, general partner or managing member of the Company; any beneficial owner of 20% or more of the Company's outstanding voting equity securities, calculated on the basis of voting power; any promoter (as defined in Rule 405 under the Securities Act) connected with the Company in any capacity at the time of the sale of the Shares; and any person that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of the Shares (a "**Solicitor**"), any general partner or managing member of any Solicitor, and any director, executive officer or other officer participating in the offering of any Solicitor or general partner or managing member of any Solicitor.

3.9 Proceeds. The proceeds from the sale of Shares to the Purchasers will be used by the Company solely for working capital and general corporate purposes.

SECTION 4.
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

By executing this Agreement, Purchaser (and, if Purchaser is purchasing the Shares in a fiduciary capacity, the person or persons for whom Purchaser is so purchasing) represents and warrants, which representations and warranties are true and complete in all material respects as of the date of the Closing:

4.1 No Registration. The Purchaser understands that the Shares and the Conversion Shares, have not been, and will not be, registered under the Securities Act by reason of reliance on an exemption specified in Regulation D of the Securities Act, the availability of which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of the Purchaser's representations as expressed herein or otherwise made pursuant hereto. Purchaser further understands that the Shares have not been registered under applicable state securities laws and are being offered and sold pursuant to the exemptions specified in said laws and, unless they are registered, may not be re-offered for sale or resold except in a transaction or as a security exempt under those laws.

4.2 Investment Intent. The Purchaser is acquiring the Shares, and the Conversion Shares, for investment for its own account, not as a nominee or agent, and not with the view to, or for immediate resale in connection with, any distribution thereof, and that the Purchaser has no present intention of selling, granting any participation in, or otherwise distributing the same. The Purchaser further represents that it does not have any contract, undertaking, agreement or arrangement with any person or entity to sell, transfer or grant participation to such person or entity or to any third person or entity with respect to any of the Shares or the Conversion Shares.

4.3 Accredited Investor Status. Purchaser represents that Purchaser is an "accredited investor" within the meaning of Rule 501 of Regulation D under the Securities Act.

4.4 Speculative Nature of Investment. The Purchaser understands and acknowledges that the Company has a limited financial and operating history and that an investment in the Company is highly speculative and involves substantial risks and has taken full cognizance of and understands all of the risk factors relating to the purchase of Shares. The Purchaser can bear the economic risk of the Purchaser's investment and is able, without impairing the Purchaser's financial condition, to hold the Shares and the Conversion Shares for an indefinite period of time and to suffer a complete loss of the Purchaser's investment.

4.5 Company Information. Purchaser understands that the Company is subject to all the risks that apply to early-stage companies, whether or not those risks are explicitly set out in the SEC Filings. The Purchaser has had an opportunity to ask questions of, and receive answers from, the officers of the Company concerning the Company's business, management and financial affairs, and regarding the terms and conditions of this investment, which questions were answered to its satisfaction. The Purchaser believes that it has received all the information the Purchaser considers necessary or appropriate for deciding whether to purchase the Shares and the Conversion Shares. Purchaser acknowledges that except as set forth herein and in the SEC Filings, no representations or warranties have been made to Purchaser, or to Purchaser's advisors or representative, by the Company or others with respect to the business or prospects of the Company or its financial condition.

4.6 No Public Market. The Purchaser understands and acknowledges that no public market now exists for any of the securities issued by the Company and that the Company has no obligation to list the Shares on any market or take any steps (including registration under the Securities Act or the Securities Exchange Act of 1934, as amended) with respect to facilitating trading or resale of the Shares.

4.7 Authorization.

(a) The Purchaser has all requisite power and authority to execute and deliver this Agreement, to purchase the Shares hereunder and to carry out and perform its obligations under the terms of this Agreement. All action on the part of the Purchaser necessary for the authorization, execution, delivery and performance of this Agreement, and the performance of all of the Purchaser's obligations under this Agreement, has been taken or will be taken before the Closing.

(b) This Agreement, when executed and delivered by the Purchaser, will constitute the valid and legally binding obligation of the Purchaser, enforceable in accordance with its terms except: (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, and (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies or by general principles of equity.

(c) No consent, approval, authorization, order, filing, registration or qualification of or with any court, governmental authority or third person is required to be obtained by the Purchaser in connection with the execution and delivery of this Agreement by the Purchaser or the performance of the Purchaser's obligations hereunder.

4.8 No Brokerage Fees. There are no claims for brokerage commission, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement or related documents based on any arrangement or agreement binding upon Purchaser. The Purchaser will indemnify and hold the Company harmless against any liability, loss or expense (including, without limitation, reasonable attorneys' fees and out-of-pocket expenses) arising in connection with any such claim.

4.9 Tax Advisors. The Purchaser has reviewed with its own tax advisors the U.S. federal, state, local and foreign tax consequences of this investment and the transactions contemplated by this Agreement. With respect to such matters, the Purchaser relies solely on such advisors and not on any statements or representations of the Company or any of its agents, written or oral. The Purchaser understands that it (and not the Company) shall be responsible for its own tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement.

4.10 Shareholder Information. Within five days after receipt of a request from the Company, the Purchaser hereby agrees to provide such information with respect to its status as a stockholder (or potential stockholder) and to execute and deliver such documents as may reasonably be necessary to comply with any and all laws and regulations to which the Company is or may become subject. **Purchaser further agrees that in the event it transfers any Shares or Conversion Shares, it will require the transferee of such Shares or Conversion Shares to agree to provide such information to the Company as a condition of such transfer**.

4.11 Legends. Purchaser understands that the Shares, and any securities issued in respect of or exchange for the Shares, including the Conversion Shares, may bear any one or more legends with respect to restrictions on distribution, transfer, resale, assignment or subdivision of the Shares imposed by the Restated Certificate and applicable federal and state securities laws, including the following legend:

THE SHARES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF SAID ACT AND SUCH LAWS. THE SHARES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER SAID ACT AND SUCH LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. THE SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION, OR ANY OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THE INFORMATION PROVIDED. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

THE SHARES REPRESENTED HEREBY ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE, INCLUDING A LOCK-UP PERIOD IN THE EVENT OF A PUBLIC OFFERING, AS SET FORTH IN THE PURCHASE AGREEMENT PURSUANT TO WHICH THESE SHARES WERE ISSUED, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE COMPANY.

4.12 Representations by Non-United States persons. If Purchaser is not a United States person (as defined by Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended), Purchaser hereby represents that it has satisfied itself as to the full observance of the laws of its jurisdiction in connection with any invitation to purchase the Shares and the Conversion Shares or any use of this Agreement, including (i) the legal requirements within the Purchaser's jurisdiction for the purchase of the Shares and the Conversion Shares, (ii) any foreign exchange restrictions applicable to such purchase, (iii) any governmental or other consents that may need to be obtained and (iv) the income tax and other tax consequences, if any, that may be relevant to the purchase, holding, redemption, sale or transfer of such securities. The Purchaser's purchase and payment for, and the Purchaser's continued beneficial ownership of, the Shares and the Conversion Shares will not violate any applicable securities or other laws of the Purchaser's jurisdiction.

SECTION 5.
COVENANTS

5.1 Indemnity. The representations, warranties and covenants made by the Purchaser herein shall survive the relevant Closing. The Purchaser agrees to indemnify and hold harmless the Company and its respective officers, directors and affiliates, and each other person, if any, who controls the Company within the meaning of Section 15 of the Securities Act against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all reasonable attorneys' fees, including attorneys' fees on appeal) and expenses reasonably incurred in investigating, preparing or defending against any false representation or warranty or breach of failure by the Purchaser to comply with any covenant or agreement made by the Purchaser herein or in any other document furnished by the Purchaser to any of the foregoing in connection with this transaction.

5.2 Market Standoff. Purchaser shall not sell or otherwise transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, of any Common Stock (or other securities) of the Company held by such Purchaser (other than those included in the registration) during the period from the filing of a registration statement of the Company filed under the Securities Act of 1933, as amended, or any similar successor federal statute and the rules and regulations thereunder, all as the same shall be in effect from time to time (the "**Securities Act**"), that includes securities to be sold on behalf of the Company to the public in an underwritten public offering under the Securities Act through the end of the 180-day period following the effective date of the registration statement (or such other period as may be requested by the Company or an underwriter to accommodate regulatory restrictions on (i) the publication or other distribution of research reports and (ii) analyst recommendations and opinions, including, but not limited to, the restrictions contained in NASD Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto). The obligations described in this section shall not apply to a registration relating solely to employee benefit plans on Form S-l or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a transaction on Form S-4 or similar forms that may be promulgated in the future. The Company may impose stop-transfer instructions and may stamp each such certificate with the second legend set forth in Section 5.3 with respect to the shares of Common Stock (or other securities) subject to the foregoing restriction until the end of such one hundred eighty (180) day (or other) period. Purchaser agrees to execute a market standoff agreement with said underwriters in customary form consistent with the provisions of this section.

SECTION 6.
MISCELLANEOUS

6.1 Amendment. Except as expressly provided herein, neither this Agreement nor any term hereof may be amended, waived, discharged or terminated other than by a written instrument referencing this Agreement and signed by the Company and the Purchaser.

6.2 Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be mailed by registered or certified mail, postage prepaid, sent by facsimile or electronic mail or otherwise delivered by hand, messenger or courier service addressed:

(a) if to the Purchaser, to the Purchaser's address or electronic mail address as provided to the Company on the signature page hereto or to such other address as may be specified by written notice from time to time by the Purchaser;

(b) if to the Company, to the attention of the Chief Executive Officer of the Company at 1070 Terra Bella Avenue, Mountain View, CA 94043, or at such other current address as the Company shall have furnished to the Purchasers.

Each such notice or other communication shall for all purposes of this Agreement be treated as effective or having been given (i) if delivered by hand, messenger or courier service, when delivered (or if sent via a nationally-recognized overnight courier service, freight prepaid, specifying next-business-day delivery, one business day after deposit with the courier), or (ii) if sent via mail, at the earlier of its receipt or five days after the same has been deposited in a regularly-maintained receptacle for the deposit of the United States mail, addressed and mailed as aforesaid, or (iii) if sent via electronic mail, when directed to the relevant electronic mail address, if sent during normal business hours of the recipient, or if not sent during normal business hours of the recipient, then on the recipient's next business day.

Subject to the limitations set forth in Delaware General Corporation Law §232(e), Purchaser consents to the delivery of any notice to stockholders given by the Company under the Delaware General Corporation Law or the Company's certificate of incorporation or bylaws by (i) electronic mail to the electronic mail address set forth on the Purchaser's profile on the Platform (or to any other electronic mail address for the Purchaser or other security holder in the Company's records), (ii) posting on an electronic network together with separate notice to the Purchaser or other security holder of such specific posting or (iii) any other form of electronic transmission (as defined in the Delaware General Corporation Law) directed to the Purchaser or other security holder. This consent may be revoked by a Purchaser or other security holder by written notice to the Company and may be deemed revoked in the circumstances specified in Delaware General Corporation Law §232.

6.3 Escrow of Shares; Purchase Price. Purchaser acknowledges and agrees that the Company may hold the Shares and the Purchase Price in escrow pending the Company's verification of Purchaser's status as an "Accredited Investor" as defined in Rule 501(a) of Regulation D of the Securities Act as adopted by the SEC.

6.4 Governing Law. This Agreement shall be governed in all respects by the internal laws of the State of Delaware as applied to agreements entered into among Delaware residents to be performed entirely within Delaware, without regard to principles of conflicts of law.

6.5 Expenses. The Company and the Purchaser shall each pay their own expenses in connection with the transactions contemplated by this Agreement.

6.6 Survival. The representations, warranties, covenants and agreements made in this Agreement shall survive any investigation made by any party hereto and the closing of the transactions contemplated hereby for one year from the date of the Closing.

6.7 Successors and Assigns. This Agreement, and any and all rights, duties and obligations hereunder, shall not be assigned, transferred, delegated or sublicensed by any Purchaser without the prior written consent of the Company. Any attempt by Purchaser without such permission to assign, transfer, delegate or sublicense any rights, duties or obligations that arise under this Agreement shall be void. Subject to the foregoing and except as otherwise provided herein, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto.

6.8 Entire Agreement. This Agreement supersedes all prior discussions and agreements between the parties with respect to the subjects hereof and constitutes the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof. No party shall be liable or bound to any other party in any manner with regard to the subjects hereof or thereof by any warranties, representations or covenants except as specifically set forth herein or therein.

6.9 Delays or Omissions. Except as expressly provided herein, no delay or omission to exercise any right, power or remedy accruing to any party to this Agreement upon any breach or default of any other party under this Agreement shall impair any such right, power or remedy of such non-defaulting party, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or in any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to any party to this Agreement, shall be cumulative and not alternative.

6.10 Severability. If any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, portions of such provision, or such provision in its entirety, to the extent necessary, shall be severed from this Agreement, and such court will replace such illegal, void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the same economic, business and other purposes of the illegal, void or unenforceable provision. The balance of this Agreement shall be enforceable in accordance with its terms.

6.11 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be enforceable against the parties actually executing such counterparts, and all of which together shall constitute one instrument.

6.12 Electronic Execution and Delivery. A facsimile, telecopy or other electronic reproduction of this Agreement may be executed by one or more parties hereto and delivered by such party by facsimile, e-mail, or any similar electronic transmission device pursuant to which the signature of or on behalf of such party can be seen. Such execution and delivery shall be considered valid, binding and effective for all purposes. At the request of any party hereto, all parties hereto agree to execute and deliver an original of this Agreement as well as any facsimile, telecopy or other reproduction hereof.

6.13 Further Assurances. Each party hereto agrees to execute and deliver, by the proper exercise of its corporate, limited liability company, partnership or other powers, all such other and additional instruments and documents and do all such other acts and things as may be necessary to more fully effectuate this Agreement.

6.14 Waiver of Class Action Claims. THE PARTIES AGREE THAT THEY MAY BRING CLAIMS AGAINST THE OTHER ONLY IN THEIR RESPECTIVE INDIVIDUAL CAPACITIES, AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS, REPRESENTATIVE, OR COLLECTIVE ACTION.

6.15 Arbitration. PURCHASER AGREES THAT ANY AND ALL CONTROVERSIES, CLAIMS, OR DISPUTES WITH ANYONE (INCLUDING COMPANY AND ANY EMPLOYEE, OFFICER, DIRECTOR, SHAREHOLDER OR BENEFIT PLAN OF THE COMPANY IN THEIR CAPACITY AS SUCH OR OTHERWISE), ARISING OUT OF, RELATING TO, OR RESULTING FROM ANY BREACH OF THIS AGREEMENT, SHALL BE SUBJECT TO BINDING ARBITRATION UNDER THE ARBITRATION PROVISIONS SET FORTH IN CALIFORNIA CODE OF CIVIL PROCEDURE SECTIONS 1280 THROUGH 1294.2 (THE "**ACT**") AND PURSUANT TO CALIFORNIA LAW. THE FEDERAL ARBITRATION ACT SHALL CONTINUE TO APPLY WITH FULL FORCE AND EFFECT NOTWITHSTANDING THE APPLICATION OF PROCEDURAL RULES SET FORTH IN THE ACT. PURCHASER FURTHER UNDERSTANDS THAT THIS AGREEMENT TO ARBITRATE ALSO APPLIES TO ANY DISPUTES THAT THE COMPANY MAY HAVE WITH PURCHASER.

6.16 Procedure. PURCHASER AGREES THAT ANY ARBITRATION WILL BE ADMINISTERED BY AMERICAN ARBITRATION ASSOCIATION ("**AAA**") PURSUANT TO ITS COMMERCIAL ARBITRATION RULES & PROCEDURES (THE "**AAA RULES**"). THE ARBITRATION PROCEEDING SHALL BE CONDUCTED BEFORE A SOLE NEUTRAL ARBITRATOR AND EACH PARTY SHALL BE RESPONSIBLE FOR ITS OWN COSTS AND EXPENSES OF SUCH ARBITRATION. PURCHASER AGREES THAT THE ARBITRATOR SHALL HAVE THE POWER TO DECIDE ANY MOTIONS BROUGHT BY ANY PARTY TO THE ARBITRATION, INCLUDING MOTIONS FOR SUMMARY JUDGMENT AND/OR ADJUDICATION AND MOTIONS TO DISMISS AND DEMURRERS, APPLYING THE STANDARDS SET FORTH UNDER THE CALIFORNIA CODE OF CIVIL PROCEDURE. PURCHASER AGREES THAT THE ARBITRATOR SHALL ISSUE A WRITTEN DECISION ON THE MERITS. PURCHASER ALSO AGREES THAT THE ARBITRATOR SHALL HAVE THE POWER TO AWARD ANY REMEDIES AVAILABLE UNDER APPLICABLE LAW, AND THAT THE ARBITRATOR SHALL AWARD ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY WHERE PROVIDED BY APPLICABLE LAW. PURCHASER AGREES THAT THE DECREE OR AWARD RENDERED BY THE ARBITRATOR MAY BE ENTERED AS A FINAL AND BINDING JUDGMENT IN ANY COURT HAVING JURISDICTION THEREOF. PURCHASER AGREES THAT THE ARBITRATOR SHALL ADMINISTER AND CONDUCT ANY ARBITRATION IN ACCORDANCE WITH CALIFORNIA LAW, INCLUDING THE CALIFORNIA CODE OF CIVIL PROCEDURE AND THE CALIFORNIA EVIDENCE CODE, AND THAT THE ARBITRATOR SHALL APPLY SUBSTANTIVE AND PROCEDURAL CALIFORNIA LAW TO ANY DISPUTE OR CLAIM, WITHOUT REFERENCE TO RULES OF CONFLICT OF LAW. TO THE EXTENT THAT THE AAA RULES CONFLICT WITH CALIFORNIA LAW, CALIFORNIA LAW SHALL TAKE PRECEDENCE. PURCHASER FURTHER AGREES THAT ANY ARBITRATION UNDER THIS AGREEMENT SHALL BE CONDUCTED IN SANTA CLARA COUNTY, CALIFORNIA. THE PARTIES SHALL REQUEST THAT THE ARBITRATOR CONDUCT THE ARBITRATION PROCEEDING IN AN EXPEDITED FASHION IN ORDER TO COMPLETE THE PROCEEDING AND RENDER A WRITTEN DECISION WITHIN 180 DAYS OF THE DATE UPON WHICH THE ARBITRATOR WAS APPOINTED UNDER THE AAA RULES. THE PARTIES SHALL USE THEIR BEST EFFORTS TO COOPERATE WITH THE ARBITRATORS TO COMPLETE THE PROCEEDING AND RENDER A DECISION WITHIN SUCH 180 DAY PERIOD.

6.17 Remedy. EXCEPT AS PROVIDED BY THE ACT AND THIS AGREEMENT, ARBITRATION SHALL BE THE SOLE, EXCLUSIVE, AND FINAL REMEDY FOR ANY DISPUTE BETWEEN PURCHASER AND THE COMPANY. ACCORDINGLY, EXCEPT AS PROVIDED FOR BY THE ACT AND THIS AGREEMENT, NEITHER PURCHASER NOR THE COMPANY WILL BE PERMITTED TO PURSUE COURT ACTION REGARDING CLAIMS THAT ARE SUBJECT TO ARBITRATION.

6.18 Obligation of Company. The Company agrees to use its reasonable efforts to enforce the terms of this Agreement, to inform the Purchaser of any breach hereof (to the extent the Company has knowledge thereof) and to assist the Purchaser in the exercise of its rights and the performance of its obligations hereunder.

(*Signature Pages* Follow)

The parties are signing this Agreement as of the date first stated in the introductory clause.

KNIGHTSCOPE, INC.
a Delaware corporation

By: _____
William Santana Li
Chief Executive Officer

(Signature Page to Purchase Agreement)

The parties are signing this Agreement as of the date first stated in the introductory clause.

PURCHASER

[_____]

By: _____

Name: _____

Title: _____

Address:

Phone:

Email:

(Signature Page to Purchase Agreement)

Exhibit 4.2

KNIGHTSCOPE, INC.

SERIES S PREFERRED STOCK SUBSCRIPTION AGREEMENT

THIS INVESTMENT INVOLVES A HIGH DEGREE OF RISK. THIS INVESTMENT IS SUITABLE ONLY FOR PERSONS WHO CAN BEAR THE ECONOMIC RISK FOR AN INDEFINITE PERIOD OF TIME AND WHO CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT. FURTHERMORE, INVESTORS MUST UNDERSTAND THAT SUCH INVESTMENT IS ILLIQUID AND IS EXPECTED TO CONTINUE TO BE ILLIQUID FOR AN INDEFINITE PERIOD OF TIME. NO PUBLIC MARKET EXISTS FOR THE SECURITIES, AND NO PUBLIC MARKET IS EXPECTED TO DEVELOP FOLLOWING THIS OFFERING.

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES OR BLUE SKY LAWS AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND STATE SECURITIES OR BLUE SKY LAWS. ALTHOUGH AN OFFERING STATEMENT HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), THAT OFFERING STATEMENT DOES NOT INCLUDE THE SAME INFORMATION THAT WOULD BE INCLUDED IN A REGISTRATION STATEMENT UNDER THE SECURITIES ACT. THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC, ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON THE MERITS OF THIS OFFERING OR THE ADEQUACY OR ACCURACY OF THE SUBSCRIPTION AGREEMENT OR ANY OTHER MATERIALS OR INFORMATION MADE AVAILABLE TO SUBSCRIBER IN CONNECTION WITH THIS OFFERING OVER THE WEB-BASED M-VEST PLATFORM AND THE STARTENGINE PLATFORM (TOGETHER, THE "PLATFORM"), THROUGH EITHER MAXIM GROUP LLC (THE "PLACEMENT AGENT") OR BROKERS WITH WHICH THE PLACEMENT AGENT HAS SELLING AGREEMENTS, INCLUDING STARTENGINE. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

INVESTORS WHO ARE NOT "ACCREDITED INVESTORS" (AS THAT TERM IS DEFINED IN SECTION 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT) ARE SUBJECT TO LIMITATIONS ON THE AMOUNT THEY MAY INVEST, AS SET OUT IN SECTION 4. THE COMPANY IS RELYING ON THE REPRESENTATIONS AND WARRANTIES SET FORTH BY EACH SUBSCRIBER IN THIS SUBSCRIPTION AGREEMENT AND THE OTHER INFORMATION PROVIDED BY SUBSCRIBER IN CONNECTION WITH THIS OFFERING TO DETERMINE THE APPLICABILITY TO THIS OFFERING OF EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

PROSPECTIVE INVESTORS MAY NOT TREAT THE CONTENTS OF THE SUBSCRIPTION AGREEMENT, THE OFFERING CIRCULAR OR ANY OF THE OTHER MATERIALS AVAILABLE ON THE PLATFORM OR PROVIDED BY THE PLACEMENT AGENT (COLLECTIVELY, THE "OFFERING MATERIALS") OR ANY PRIOR OR SUBSEQUENT COMMUNICATIONS FROM THE COMPANY OR ANY OF ITS OFFICERS, EMPLOYEES OR AGENTS (INCLUDING "TESTING THE WATERS" MATERIALS) AS INVESTMENT, LEGAL OR TAX ADVICE. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND THE RISKS INVOLVED. EACH PROSPECTIVE INVESTOR SHOULD CONSULT THE INVESTOR'S OWN COUNSEL, ACCOUNTANT AND OTHER PROFESSIONAL ADVISOR AS TO INVESTMENT, LEGAL, TAX AND OTHER RELATED MATTERS CONCERNING THE INVESTOR'S PROPOSED INVESTMENT.

THE OFFERING MATERIALS MAY CONTAIN FORWARD-LOOKING STATEMENTS AND INFORMATION RELATING TO, AMONG OTHER THINGS, THE COMPANY, ITS BUSINESS PLAN AND STRATEGY, AND ITS INDUSTRY. THESE FORWARD-LOOKING STATEMENTS ARE BASED ON THE BELIEFS OF, ASSUMPTIONS MADE BY, AND INFORMATION CURRENTLY AVAILABLE TO THE COMPANY'S MANAGEMENT. WHEN USED IN THE OFFERING MATERIALS, THE WORDS "ESTIMATE," "PROJECT," "BELIEVE," "ANTICIPATE," "INTEND," "EXPECT" AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS, WHICH CONSTITUTE FORWARD LOOKING STATEMENTS. THESE STATEMENTS REFLECT MANAGEMENT'S CURRENT VIEWS WITH RESPECT TO FUTURE EVENTS AND ARE SUBJECT TO RISKS AND UNCERTAINTIES THAT COULD CAUSE THE COMPANY'S ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTAINED IN THE FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE ON WHICH THEY ARE MADE. THE COMPANY DOES NOT UNDERTAKE ANY OBLIGATION TO REVISE OR UPDATE THESE FORWARD-LOOKING STATEMENTS TO REFLECT EVENTS OR CIRCUMSTANCES AFTER SUCH DATE OR TO REFLECT THE OCCURRENCE OF UNANTICIPATED EVENTS.

THE COMPANY MAY NOT BE OFFERING THE SECURITIES IN EVERY STATE. THE OFFERING MATERIALS DO NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY STATE OR JURISDICTION IN WHICH THE SECURITIES ARE NOT BEING OFFERED.

THE INFORMATION PRESENTED IN THE OFFERING MATERIALS WAS PREPARED BY THE COMPANY SOLELY FOR THE USE BY PROSPECTIVE INVESTORS IN CONNECTION WITH THIS OFFERING. NO REPRESENTATIONS OR WARRANTIES ARE MADE AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN ANY OFFERING MATERIALS, AND NOTHING CONTAINED IN THE OFFERING MATERIALS IS OR SHOULD BE RELIED UPON AS A PROMISE OR REPRESENTATION AS TO THE FUTURE PERFORMANCE OF THE COMPANY.

THE COMPANY RESERVES THE RIGHT IN ITS SOLE DISCRETION AND FOR ANY REASON WHATSOEVER TO MODIFY, AMEND AND/OR WITHDRAW ALL OR A PORTION OF THE OFFERING AND/OR ACCEPT OR REJECT IN WHOLE OR IN PART ANY PROSPECTIVE INVESTMENT IN THE SECURITIES OR TO ALLOT TO ANY PROSPECTIVE INVESTOR LESS THAN THE AMOUNT OF SECURITIES SUCH INVESTOR DESIRES TO PURCHASE. EXCEPT AS OTHERWISE INDICATED, THE OFFERING MATERIALS SPEAK AS OF THEIR DATE. NEITHER THE DELIVERY NOR THE PURCHASE OF THE SECURITIES SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THAT DATE.

This Series S Preferred Stock Subscription Agreement (this "**Agreement**") is dated as of the date set forth on the signature page hereto, and is between Knightscope, Inc., a Delaware corporation (the "**Company**"), and the subscriber ("**Subscriber**").

SECTION 1.
AUTHORIZATION, SALE AND ISSUANCE

1.1 Offering Circular. The Company has filed with the Securities and Exchange Commission (the "**SEC**") an Offering Circular on Form 1-A, pursuant to Regulation A+ of the Securities Act of 1933, as amended (the "**Securities Act**"), dated [_____] (which shall, with all exhibits thereto, as may be amended from time to time, be referred to herein as the "**Offering Statement**"). The Offering Statement is available to the Subscriber online at: https://www.sec.gov/edgar/searchedgar/companysearch.html

1.2 Authorization. The Company will, before the Initial Closing (as defined below), authorize: (a) the sale and issuance of up to 6,250,000 shares (the "**Shares**") of the Company's Series S Preferred Stock (the "**Series S Preferred**"), having the rights, privileges, preferences and restrictions set forth in the amended and restated Certificate of Incorporation of the Company (the "**Restated Certificate**"), in substantially the form included in the Offering Statement; and (b) the reservation of shares of Class A Common Stock for issuance upon conversion of the Shares (the "**Conversion Shares**"). The Company may accept subscriptions until the Termination Date (as defined below).

1.3 Subscription; Sale and Issuance of Shares.

(a) Subject to this Agreement, Subscriber irrevocably subscribes for and agrees to purchase at a cash purchase price of $8.00 per share (the "**Purchase Price**") the number of Shares indicated to the Company on the Platform (the "**Subscription Amount**").

(b) In the event of rejection of this subscription in its entirety, or in the event the sale of the Securities (or any portion thereof) is not consummated for any reason, this Subscription Agreement shall have no force or effect, except for the indemnification provisions contained in this Agreement, which shall remain in force and effect.

1.4 Prior Regulation A Offering and Ongoing Reporting. On November 11, 2016 (the "**Reference Date**"), the Company filed a Form 1-A and a related Regulation A Offering Circular with the Securities and Exchange Commission (the "**SEC**") in conjunction with the Company's issuance of Series m Preferred Stock under Regulation A, which is an exemption from registration in the Securities Act for certain public offerings of securities. The Company concluded all sales of stock pursuant to the Regulation A offering in the fourth quarter of 2017. As part of the Company's ongoing compliance with Regulation A of the Securities Act, the Company submits periodic filings to the SEC which can be accessed publicly on EDGAR.

1.5 Payment; Escrow Arrangements. Payment for the Shares shall be received by Prime Trust, LLC (the **"Escrow Agent"**) from the Subscriber by ACH electronic transfer, wire transfer of immediately available funds, deposit check or other means approved by the Company prior to the applicable Closing. Upon such Closing, the Escrow Agent shall release such funds to the Company. The Subscriber shall receive notice and evidence of the digital entry of the number of the Shares owned by Subscriber reflected on the books and records of the Company. The Company will also update its records with Carta (the **"Transfer Agent"**), which books and records shall bear a notation that the Securities were sold in reliance upon Regulation A of the Securities Act. Upon written instruction by the Subscriber, the Transfer Agent may record the Shares beneficially owned by the Subscriber on the books and records of the Company in the name of any other entity as designated by the Subscriber.

SECTION 2.
CLOSING DATES, PURCHASE PROCEDURE AND DELIVERY

2.1 The Shares will be offered for sale until the earliest of: (a) the date at which the Maximum Offering Amount has been sold, (ii) the date that is twelve (12) months from the date the Offering Statement is qualified by the SEC without prior notice to the investors in the Offering, and (iii) the date the Offering is earlier terminated by the Company in its sole discretion (the **"Termination Date"**). The Placement Agent is acting in such capacity with respect to the Offering on a "commercially reasonable best efforts" basis.

2.2 The Company may, in its discretion at any time prior to the Termination Date, hold an initial closing (**"Initial Closing"**) and, at any time and from time to time after the Initial Closing, may hold subsequent closings (each such closing, including the Initial Closing, a **"Closing,"** and the final such Closing, the **"Final Closing"**), in each case, with respect to any Securities for which subscriptions have been accepted prior to such date. The Company, in its discretion, may reject a Closing and in the event that the Closing is rejected, the funds will be returned to the Subscribers without interest and no shares will be issued by the Company. In the event that (i) the Closing contemplated by this Agreement does not occur prior to the Termination Date or (ii) this Agreement or the Subscription Amount owed with respect to the Shares purchased by the Subscriber pursuant hereto is received after the Final Closing, all amounts paid by the Subscriber shall be returned to the Subscriber, without interest or deduction. The Subscriber may revoke its subscription and obtain a return of the Subscription Amount paid to the Escrow Account at any time before the date of the Closing contemplated by this Agreement by providing written notice to the Placement Agent, the Company and the Escrow Agent as provided in Section 7.2 below. Upon receipt of a revocation notice from the Subscriber prior to the date of the Closing contemplated by this Agreement, all amounts paid by the Subscriber shall be returned to the Subscriber, without interest or deduction. The Subscriber may not revoke this subscription or obtain a return of the Subscription Amount paid to the Escrow Agent on or after the date of the Closing contemplated by this Agreement.

2.3 The minimum purchase that may be made by any prospective investor shall be $1,000. Subscriptions for investment below the minimum investment may be accepted at the discretion of the Placement Agent and the Company. Fractional Shares will not be issued, and the share number actually issued will be rounded down to the nearest whole Share that is fully paid. The Company and the Placement Agent reserve the right to reject any subscription made hereby, in whole or in part, in their sole discretion.

2.4 Prior to the applicable Closing for the Shares purchased pursuant hereto, funds representing the Subscription Amount for such Shares shall be deposited in the Escrow Account.

2.5 Deliveries,

(a) On or prior to any Closing Date, the Company shall deliver or cause to be delivered to each Subscriber participating in the applicable Closing the following:

(i) this Agreement duly executed by the Company.

(b) On or prior to any Closing Date, each Subscriber participating in the applicable Closing shall deliver or cause to be delivered to the Company the following:

(i) this Agreement duly executed by such Subscriber; and

(ii) such Subscriber's Subscription Amount by wire transfer or certified check to the Escrow Agent.

2.6 The Company's agreement with each investor in the Offering, including the Subscriber, is a separate agreement and the sale of the Subscriber to each investor in the Offering, including the Subscriber, is a separate sale.

SECTION 3.
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to Subscriber that the following representations and warranties are true and complete in all material respects as of the date of the Closing, except as otherwise indicated below, set forth on the Schedule of Exceptions attached hereto as **Exhibit A** (the "**Schedule of Exceptions**"), or disclosed in the filings of the Company made publicly with the SEC required to be filed by it as a result of the Company's issuance of Series S Preferred Stock under Regulation A of the Securities Act (the "**SEC Filings**"). For purposes of this Agreement, an individual shall be deemed to have "knowledge" of a particular fact or other matter if such individual is actually aware of such fact.

3.1 Organization, Good Standing and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company has the requisite corporate power and authority to own and operate its properties and assets, to carry on its business as presently conducted, to execute and deliver this Agreement, to issue and sell the Shares and the Conversion Shares and to perform its obligations pursuant to this Agreement and the Restated Certificate. The Company is presently qualified to do business as a foreign corporation in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, would not have a material adverse effect on (i) the legal and valid issuance of the Securities, (ii) the enforceability of this Agreement against the Company or the Company's ability to perform, its obligations hereunder, or (iii) the results of operations, assets, business and financial condition of the Company and its subsidiaries, taken as a whole (any of (i), (ii) or (iii), a "**Material Adverse Effect**").

3.2 Capitalization.

(a) Immediately prior to the Closing, the authorized capital stock of the Company will consist of 187,405,324 shares, consisting of 114,000,000 shares of Class A Common Stock, $0.001 par value per share, 30,000,000 shares of Class B Common Stock, $0.001 par value per share, and 43,405,324 shares of Preferred Stock, $0.001 par value per share. The first series of Preferred Stock is designated "Series A Preferred Stock" and consists of 8,936,015 shares. The second Series of Preferred Stock is designated "Series B Preferred Stock" and consists of 4,707,501 shares. The third Series of Preferred Stock is designated "Series S Preferred Stock" and consists of 6,666,666 shares. The fourth series of Preferred Stock is designated "Series m-1 Preferred Stock" and consists of 333,334 shares. The fifth Series of Preferred Stock is designated "Series m-2 Preferred Stock" and consists of 1,660,756 shares. The sixth series of Preferred Stock is designated "Series m-3 Preferred Stock" and consists of 3,490,658 shares. The seventh series of Preferred Stock is designated "Series S Preferred Stock" and consists of 13,108,333 shares. The eighth series of Preferred Stock is designated "Series m-4 Preferred Stock" and consists of 4,502,061 shares. The Common Stock and the Preferred Stock have the rights, preferences, privileges and restrictions set forth in the Restated Certificate.

(b) All issued and outstanding shares of the Company's Common Stock (i) have been duly authorized and validly issued and are fully paid and nonassessable, and (ii) were issued in compliance with all applicable state and federal laws concerning the issuance of securities. Except as set forth on the Schedule of Exceptions or the shares reserved for issuance or issued under the Company's equity incentive plans, as of the date hereof: (i) there are no outstanding securities of the Company or any of its subsidiaries which contain any preemptive rights or redemption rights; (ii) no holder of securities of the Company or any subsidiary is entitled to preemptive or similar rights arising out of any agreement or understanding with the Company or any subsidiary by virtue of the Offering; (iii) there are no contracts, commitments, understandings or arrangements by which the Company or any of its subsidiaries is or may become bound to redeem a security of the Company or any of its subsidiaries; (iv) neither the Company nor any subsidiary has any outstanding stock appreciation rights, "phantom stock" plans or any similar plan or agreement; and (v) there are no outstanding warrants, agreements, convertible securities or other rights to subscribe for or to purchase or acquire, any shares of capital stock of the Company or any subsidiary. Other than restrictions imposed by applicable law or as set forth in this Agreement, there are no restrictions upon the voting or transfer of any of the Shares pursuant to the Restated Certificate, Company bylaws or any material agreement or other instrument to which the Company is a party or by which the Company is bound.

(c) The Shares, when issued and delivered and paid for in compliance with the provisions of this Agreement, will be validly issued, fully paid and nonassessable. The Conversion Shares have been duly and validly reserved and, when issued in compliance with the provisions of this Agreement, the Restated Certificate and applicable law, will be validly issued, fully paid and nonassessable. The Shares and the Conversion Shares will be free of any liens or encumbrances, other than any liens or encumbrances created by or imposed upon the Subscribers; *provided*, *however*, that the Shares and the Conversion Shares are subject to restrictions on transfer under U.S. state and/or federal securities laws and as set forth herein. The Company has reserved a sufficient number of shares of Class A Common Stock for issuance upon the conversion of the Shares. The issuance and sale of the Shares, as contemplated hereby, will not obligate the Company to issue shares of preferred stock, common stock or other securities to any other person (other than other investors in the Offering) and will not result in the adjustment of the exercise, conversion, exchange or reset price of any outstanding Company security. The Company does not have outstanding stockholder purchase rights or "poison pill" or (any arrangement granting substantially similar rights) in effect giving any person the right to purchase any equity interest in the Company upon the occurrence of the transactions contemplated hereby.

3.3 Authorization. All corporate action on the part of the Company and its directors, officers and stockholders necessary for the authorization, execution and delivery of this Agreement by the Company, the authorization, sale, issuance and delivery of the Shares and the Conversion Shares, and the performance of all of the Company's obligations under this Agreement has been taken or will be taken before the Closing. This Agreement, when executed and delivered by the Company, shall constitute the valid and binding obligation of the Company, enforceable in accordance with its terms, except (i) as limited by laws of general application relating to bankruptcy, insolvency and the relief of debtors, and (ii) as limited by rules of law governing specific performance, injunctive relief or other equitable remedies and by general principles of equity. No consent, approval, authorization or other order of any governmental authority or any other person is required to be obtained by the Company in connection with the authorization, execution, delivery and performance of this Agreement or in connection with the authorization, issue and sale of the Shares and, upon issuance, the Conversion Shares, except such post-sale filings as may be required to be made with the SEC, FINRA, and with any state or foreign blue sky or securities regulatory authority, all of which shall be made when required.

3.4 SEC Filings; Financial Statements. Complete copies of the Company's consolidated financial statements consisting of the balance sheets of the Company as of December 31, 2017 and December 31, 2018 and the related statements of operations, stockholders' equity and cash flows for the annual periods then ended (the "**Financial Statements**") have been made available to the Subscriber and appear in the SEC Filings through EDGAR. The Financial Statements are based on the books and records of the Company and fairly present, in all material respects, the financial condition of the Company as of the dates they were prepared and the results of the operations and cash flows of the Company for the periods indicated. Ernst & Young LLP, which has audited the Financial Statements, is an independent accounting firm within the rules and regulations adopted by the SEC. The Financial Statements have been prepared in accordance with generally accepted accounting principles applied on a consistent basis during the periods involved, except as may be otherwise specified in such financial statements or the footnotes thereto, and fairly present in all material respects the financial position of the Company as of and for the dates thereof and the results of operations and cash flows for the periods then ended. The Company has filed all SEC Filings required to be filed by it under the Securities Act and the Exchange Act since the Reference Date on a timely basis, or timely filed a valid extension of such time of filing and has filed such SEC Reports prior to the expiration of any such extension. As of their respective dates, all SEC Reports filed on or after the Reference Date complied in all material respects with the requirements of the Securities Act and the Exchange Act and the rules and regulations of the SEC promulgated thereunder, and none of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

3.5 Intellectual Property Ownership.

(i) The Company owns or possesses, or can obtain on commercially reasonable terms, sufficient material legal rights to the patents, trademarks, service marks, trade names, copyrights, trade secrets, and other similar proprietary rights (collectively, the **"Intellectual Property Rights"**) necessary for its business as presently conducted, except as would not be reasonably be expected to cause a Material Adverse Effect. Other than as set forth in the SEC Filings, (a) there are no material outstanding options, licenses or agreements of any kind relating to Intellectual Property Rights owned or purported to be owned by the Company ("**Company Intellectual Property Rights**"), and (b) nor is the Company bound by or a party to any material options, licenses or agreements of any kind with respect to the Intellectual Property Rights of any other person or entity other than, in each case, such licenses or agreements arising from the purchase of "off the shelf" or standard products or otherwise entered in the ordinary course of business consistent with past practice. Since the Reference Date, the Company has not received any written communications alleging that the Company has violated or, by conducting its business as presently conducted, would violate any Intellectual Property Rights of any other person or entity. The Company and its Subsidiaries have taken reasonable measures to protect the secrecy, confidentiality and value of all of their Intellectual Property Rights, except where failure to do so would not, individually or in the aggregate, have a Material Adverse Effect.

3.6 Compliance with Other Instruments. The Company is not in violation of any material term of its Restated Certificate or bylaws, each as amended to date, or, to the Company's knowledge, in any material respect of any term or provision of any material mortgage, indebtedness, indenture, contract, agreement, instrument, judgment, order or decree to which it is party or by which it is bound which would have a Material Adverse Effect. To the Company's knowledge, the Company is not in violation of any federal or state statute, rule or regulation applicable to the Company the violation of which would have a Material Adverse Effect. The execution and delivery of this Agreement by the Company, the performance by the Company of its obligations pursuant to this Agreement, and the issuance of the Shares, and the Conversion Shares, will not result in any material violation of, or materially conflict with, or constitute a material default under, the Company's Restated Certificate or bylaws, each as amended to date, or any of its agreements, nor, to the Company's knowledge, result in the creation of any material mortgage, pledge, lien, encumbrance or charge upon any of the properties or assets of the Company.

3.7 Regulatory Permits: Licenses. The Company possesses all certificates, authorizations, licenses and permits issued by the appropriate federal, state, local or foreign regulatory authorities necessary to conduct and operate their respective businesses in the manner described in the SEC Filings ("**Material Permits**"), except where the failure to possess such Material Permits would not have a Material Adverse Effect, and the Company has not received, nor reasonably expects to receive any notice of any action, arbitration, claim, hearing, litigation or suit (whether civil, criminal, administrative, judicial or investigative, whether formal or informal, whether public or private) commenced, brought, conducted or heard before any federal, state, local or foreign government or any court of competent jurisdiction, administrative or regulatory body, agency, bureau, or commission in any domestic or foreign jurisdiction, any appropriate division of any of the foregoing or any arbitrator, or other legal action (each, a "**Proceeding**") relating to the revocation or modification of any Material Permit.

3.8 Litigation. To the Company's knowledge, there are no actions, suits, proceedings or investigations pending against the Company or its properties (nor has the Company received written notice of any threat thereof) before any court or governmental agency that questions the validity of the Agreements or the right of the Company to enter into them, or the right of the Company to perform its obligations contemplated thereby, or that, either individually or in the aggregate, if determined adversely to the Company, would or could reasonably be expected to have a Material Adverse Effect or result in any change in the current equity ownership of the Company. The Company is not a party or subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality, none of the Company or, to its knowledge, any director or officer thereof is the subject of any action involving a claim of violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty, and there is no pending or, to the Company's knowledge, contemplated investigation by the SEC involving the Company or any current director or officer of the Company.

3.9 Title to Properties and Assets; Liens, Etc. The Company has good and marketable title to its properties and assets and good title to its leasehold estates which are, to the Company's knowledge, valid and enforceable, with all maintenance or other required fees having been paid.

3.10 Obligations to Related Parties. Except as set forth in Schedule of Exceptions, there are no obligations of the Company to officers, directors, stockholders, or employees of the Company other than (a) for payment of salary or other compensation for services rendered, (b) reimbursement for reasonable expenses incurred on behalf of the Company and (c) for other standard employee benefits made generally available to all employees (including stock option agreements under the Company's equity plans). Except as set forth in the Schedule of Exceptions, none of the officers or directors of the Company and, to the Company's knowledge, none of the employees of the Company, is presently a party to any transaction with the Company or any subsidiary (other than as holders of Company securities and for services as employees, officers and directors) required to be disclosed under applicable SEC rules and regulations.

3.11 Material Changes. Since December 31, 2018, and except as set forth in the Schedule of Exceptions, (i) there has been no event, occurrence or development that has had a Material Adverse Effect, (ii) the Company has not incurred any material liabilities (contingent or otherwise) other than (A) trade payables, accrued expenses and other liabilities incurred in the ordinary course of business consistent with past practice and (B) liabilities not required to be reflected in the Company's financial statements pursuant to generally accepted accounting principles or required to be disclosed in filings made with the SEC, (iii) the Company has not altered its method of accounting or the identity of its auditors, (iv) the Company has not declared or made any dividend or distribution of cash or other property to its stockholders or purchased, redeemed or made any agreements to purchase or redeem any shares of its capital stock, and (v) the Company has not issued any equity securities to any officer, director or affiliate, except pursuant to existing Company stock compensation plans.

3.12 Taxes. Since the Reference Date (i) the Company and each of its subsidiaries has filed all U.S. federal, state, local and foreign tax returns which are required to be filed by each of them and all such returns are true and correct in all material respects, except for such failures to file which would not have a Material Adverse Effect, (ii) the Company and each of its subsidiaries has paid all taxes required to be paid pursuant to such returns or pursuant to any assessments received by any of them, and have withheld any amounts which any of them are obligated to withhold from amounts owing to any employee, creditor or third party and (iii) the Company and each of its subsidiaries has properly accrued all taxes required to be accrued and/or paid pursuant to applicable law, except where the failure to accrue would not have a Material Adverse Effect. To the knowledge of the Company, the tax returns of the Company and its subsidiaries are not currently being audited by any state, local or federal authorities. Neither the Company nor any of its subsidiaries has waived any statute of limitations with respect to taxes or agreed to any extension of time with respect to any tax assessment or deficiency.

3.13 Registration Rights. No person has any right to cause the Company to effect the registration under the Securities Act of any securities of the Company.

3.14 No "Bad Actor" Disqualification. The Company has exercised reasonable care, in accordance with SEC rules and guidance, to determine whether any Covered Person (as defined below) is subject to any of the "bad actor" disqualifications described in Rule 506(d)(1)(i) through (viii) under the Securities Act ("**Disqualification Events**"). To the Company's knowledge, no Covered Person is subject to a Disqualification Event, except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3) under the Securities Act. The Company has complied, to the extent applicable, with any disclosure obligations under Rule 506(e) under the Securities Act. "**Covered Persons**" are those persons specified in Rule 506(d)(1) under the Securities Act, including the Company; any predecessor or affiliate of the Company; any director, executive officer, other officer participating in the offering, general partner or managing member of the Company; any beneficial owner of 20% or more of the Company's outstanding voting equity securities, calculated on the basis of voting power; any promoter (as defined in Rule 405 under the Securities Act) connected with the Company in any capacity at the time of the sale of the Shares; and any person that has been or will be paid (directly or indirectly) remuneration for solicitation of Subscribers in connection with the sale of the Shares (a "**Solicitor**"), any general partner or managing member of any Solicitor, and any director, executive officer or other officer participating in the offering of any Solicitor or general partner or managing member of any Solicitor. Other than the Placement Agent, the Company is not aware of any person (other than any Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of Subscribers in connection with the sale of any Shares in this Offering.

3.15 Proceeds. The proceeds from the sale of Shares to the Subscribers will be used by the Company solely for working capital and general corporate purposes.

3.16 Brokers. Except for the Placement Agent, the Company has not employed or engaged any broker or finder in connection with the transactions contemplated by this Agreement in this Offering and no fee or other compensation is or will be due and owing on behalf of the Company to any broker, finder, underwriter, placement agent or similar person in connection with the transactions contemplated by this Agreement in this Offering.

SECTION 4.
REPRESENTATIONS AND WARRANTIES OF THE SUBSCRIBER

By executing this Agreement, Subscriber (and, if Subscriber is purchasing the Shares in a fiduciary capacity, the person or persons for whom Subscriber is so purchasing) represents and warrants, which representations and warranties are true and complete in all material respects as of the date of the Closing:

4.1 No Registration. The Subscriber understands that the Shares and the Conversion Shares, have not been, and will not be, registered under the Securities Act by reason of reliance on an exemption specified in Regulation A of the Securities Act, the availability of which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of the Subscriber's representations as expressed herein or otherwise made pursuant hereto. Subscriber further understands that the Shares have not been registered under applicable state securities laws and are being offered and sold pursuant to the exemptions specified in said laws and, unless they are registered, may not be re-offered for sale or resold except in a transaction or as a security exempt under those laws.

4.2 Investment Intent. The Subscriber is acquiring the Shares, and the Conversion Shares, for investment for its own account, not as a nominee or agent, and not with the view to, or for immediate resale in connection with, any distribution thereof, and that the Subscriber has no present intention of selling, granting any participation in, or otherwise distributing the same. The Subscriber, if an entity, further represents that it was not formed for the purpose of purchasing the Securities. The Subscriber further represents that it does not have any contract, undertaking, agreement or arrangement with any person or entity to sell, transfer or grant participation to such person or entity or to any third person or entity with respect to any of the Shares or the Conversion Shares.

4.3 Accredited Investor/Qualified Purchaser Status. The information that the Subscriber has furnished in the investor questionnaire previously provided to the Company, including (without limitation) the information furnished by the Subscriber to the Company regarding whether Subscriber qualifies as (i) an "accredited investor" as that term is defined in Rule 501 under Regulation D under the Securities Act and/or (ii) a "qualified purchaser" as that term is defined in Rule 256 under Regulation A under the Securities Act, is correct and complete as of the date of this Agreement and will be correct and complete on the date, if any, that the Company accepts this Agreement. Further, the Subscriber shall immediately notify the Company of any change in any statement made in this Agreement prior to the Subscriber's receipt of the Company's acceptance of this Agreement, including, without limitation, Subscriber's status as an "accredited investor" and/or a "qualified purchaser." The representations and warranties made by the Subscriber may be fully relied upon by the Company and by any investigating party relying on them.

4.4 Speculative Nature of Investment. The Subscriber understands and acknowledges that the Company has a limited financial and operating history and that an investment in the Company is highly speculative and involves substantial risks and has taken full cognizance of and understands all of the risk factors relating to the purchase of Shares. The Subscriber can bear the economic risk of the Subscriber's investment, including but not limited to each of the other risks set forth in or incorporated by reference into the "Risk Factors" section of the SEC Filings, which are incorporated herein by reference, and is able, without impairing the Subscriber's financial condition, to hold the Shares and the Conversion Shares for an indefinite period of time and to suffer a complete loss of the Subscriber's investment.

4.5 Company Information. Subscriber understands that the Company is subject to all the risks that apply to early-stage companies, whether or not those risks are explicitly set out in the SEC Filings. The Subscriber has had an opportunity to ask questions of, and receive answers from, the officers of the Company concerning the Company's business, management and financial affairs, and regarding the terms and conditions of this investment, which questions were answered to its satisfaction. The Subscriber believes that it has received all the information the Subscriber considers necessary or appropriate for deciding whether to purchase the Shares and the Conversion Shares. Subscriber acknowledges that except as set forth herein, in the SEC Filings, no representations or warranties have been made to Subscriber, or to Subscriber's advisors or representative, by the Company or others with respect to the business or prospects of the Company or its financial condition. The Subscriber disclaims reliance on any statements made or information provided by any person or entity in the course of Subscriber's consideration of an investment in the Securities other than this Agreement, the SEC Filings and the results of the Subscriber's own independent investigation.

4.6 No Public Market. The Subscriber understands and acknowledges that no public market now exists for any of the securities issued by the Company and that the Company has no obligation to list the Shares on any market or take any steps (including registration under the Securities Act or the Securities Exchange Act of 1934, as amended) with respect to facilitating trading or resale of the Shares.

4.7 Authorization.

(a) The Subscriber has all requisite power and authority to execute and deliver this Agreement, to purchase the Shares hereunder and to carry out and perform its obligations under the terms of this Agreement. All action on the part of the Subscriber necessary for the authorization, execution, delivery and performance of this Agreement, and the performance of all of the Subscriber's obligations under this Agreement, has been taken or will be taken before the Closing.

(b) This Agreement, when executed and delivered by the Subscriber, will constitute the valid and legally binding obligation of the Subscriber, enforceable in accordance with its terms except: (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, and (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies or by general principles of equity.

(c) No consent, approval, authorization, order, filing, registration or qualification of or with any court, governmental authority or third person is required to be obtained by the Subscriber in connection with the execution and delivery of this Agreement by the Subscriber or the performance of the Subscriber's obligations hereunder.

4.8 No Brokerage Fees. There are no claims for brokerage commission, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement or related documents based on any arrangement or agreement binding upon Subscriber. The Subscriber will indemnify and hold the Company harmless against any liability, loss or expense (including, without limitation, reasonable attorneys' fees and out-of-pocket expenses) arising in connection with any such claim.

4.9 Tax Advisors. The Subscriber has reviewed with its own tax advisors the U.S. federal, state, local and foreign tax consequences of this investment and the transactions contemplated by this Agreement. With respect to such matters, the Subscriber relies solely on such advisors and not on any statements or representations of the Company or any of its agents, written or oral. The Subscriber understands that it (and not the Company) shall be responsible for its own tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement.

4.10 Shareholder Information. Within five days after receipt of a request from the Company, the Subscriber hereby agrees to provide such information with respect to its status as a stockholder (or potential stockholder) and to execute and deliver such documents as may reasonably be necessary to comply with any and all laws and regulations to which the Company is or may become subject. **Subscriber further agrees that in the event it transfers any Shares or Conversion Shares, it will require the transferee of such Shares or Conversion Shares to agree to provide such information to the Company as a condition of such transfer**.

4.11 Legends. Subscriber understands that the Shares, and any securities issued in respect of or exchange for the Shares, including the Conversion Shares, may bear any one or more legends with respect to restrictions on distribution, transfer, resale, assignment or subdivision of the Shares imposed by the Restated Certificate and applicable federal and state securities laws, including the following legend:

THE SHARES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF SAID ACT AND SUCH LAWS. THE SHARES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER SAID ACT AND SUCH LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. THE SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION, OR ANY OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THE INFORMATION PROVIDED. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

THE SHARES REPRESENTED HEREBY ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE, INCLUDING A LOCK-UP PERIOD IN THE EVENT OF A PUBLIC OFFERING, AS SET FORTH IN THE PURCHASE AGREEMENT PURSUANT TO WHICH THESE SHARES WERE ISSUED, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE COMPANY.

4.12 Representations by Non-United States persons. If Subscriber is not a United States person (as defined by Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended), Subscriber hereby represents that it has satisfied itself as to the full observance of the laws of its jurisdiction in connection with any invitation to purchase the Shares and the Conversion Shares or any use of this Agreement, including (i) the legal requirements within the Subscriber's jurisdiction for the purchase of the Shares and the Conversion Shares, (ii) any foreign exchange restrictions applicable to such purchase, (iii) any governmental or other consents that may need to be obtained and (iv) the income tax and other tax consequences, if any, that may be relevant to the purchase, holding, redemption, sale or transfer of such securities. The Subscriber's purchase and payment for, and the Subscriber's continued beneficial ownership of, the Shares and the Conversion Shares will not violate any applicable securities or other laws of the Subscriber's jurisdiction.

4.13 The Subscriber hereby acknowledges that the Offering has not been reviewed by the SEC or any state regulatory authority and that the Offering is intended to be exempt from the registration requirements of Section 5 of the Securities Act pursuant to the exemption therefrom provided by Regulation A of the Securities Act. The Subscriber understands that the Securities (including any Underlying Shares issuable upon the conversion and/or exercise of the Securities) have not been and will not be registered under the Securities Act or under any state securities or "blue sky" laws and agrees not to sell, pledge, assign or otherwise transfer or dispose of the Securities and any Underlying Shares unless and until they are registered under the Securities Act and under any applicable state securities or "blue sky" laws or pursuant to an available exemption therefrom. The Subscriber understands and hereby acknowledges that the Company is under no obligation to register the Securities under the Securities Act or any state securities or "blue sky" laws or to assist the Subscriber in obtaining an exemption from any such registration requirements.

4.14 The Subscriber hereby represents that the address of the Subscriber set forth on the signature page hereto is the Subscriber's principal residence if the Subscriber is an individual or its principal business address if the Subscriber is an entity.

4.15 If the Subscriber is a corporation, partnership, limited liability company, trust, employee benefit plan, individual retirement account, Keogh Plan, or other tax-exempt entity, it is authorized and qualified to invest in the Company and the person signing this Agreement on behalf of such entity has been duly authorized by such entity to do so.

4.16 The Subscriber acknowledges that if the Subscriber is a Registered Representative of a Financial Industry Regulatory Authority (***"FINRA"***) member firm, the Subscriber must give such firm the notice required by the FINRA's Rules of Fair Practice, receipt of which must be acknowledged by such firm in the Subscriber's Subscriber Questionnaire.

4.17 To effectuate the terms and provisions of this Agreement, the Subscriber hereby appoints the Placement Agent as its attorney-in-fact (and the Placement Agent hereby accepts such appointment) for the purpose of carrying out the provisions of the Escrow Agreement by and between the Company, the Placement Agent and the Escrow Agent (the ***"Escrow Agreement"***) including, without limitation, taking any action on behalf of, or at the instruction of, the Subscriber and executing any release notices required under the Escrow Agreement and taking any action and executing any instrument that the Placement Agent may deem necessary or advisable (and lawful) to accomplish the purposes hereof or thereof. All acts done under the foregoing authorization are hereby ratified and approved and neither the Placement Agent nor any designee nor agent thereof shall be liable for any acts of commission or omission, for any error of judgment, for any mistake of fact or law except for acts of gross negligence or willful misconduct. This power of attorney, being coupled with an interest, is irrevocable while the Escrow Agreement remains in effect.

4.18 The Subscriber agrees not to issue any public statement with respect to the Offering, Subscriber's investment or proposed investment in the Company or the terms of this Agreement or any other agreement or covenant between them and the Company without the Company's prior written consent, except such disclosures as may be required under applicable law.

4.19 The Subscriber understands, acknowledges and agrees with the Company that this subscription may be rejected, in whole or in part, by the Company, in the sole and absolute discretion of the Company, at any time before the applicable Closing (as defined below) notwithstanding prior receipt by the Subscriber of notice of acceptance by the Company of the Subscriber's subscription.

4.20 If the Subscriber is an entity, upon request of the Company, the Subscriber will provide true, complete and current copies of all relevant documents creating the Subscriber, authorizing its investment in the Company and/or evidencing the due authority of the signatory to this Agreement.

SECTION 5.

CONDITIONS TO CLOSING

5.1 The Subscriber's obligation to purchase the Shares at each Closing at which such purchase is to be consummated is subject to the fulfillment on or prior to such Closing of the following conditions, which conditions may be waived at the option of the Subscriber to the extent permitted by law:

(a) Representations and Warranties; Covenants. The representations and warranties made by the Company in Section 3 shall be true and correct (without giving effect to any "Material Adverse Effect," "material," "materially" or similar materiality qualifications therein) in all material respects as of the date hereof and as of the applicable Closing Date, except for those representations and warranties which expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date (without giving effect to any "Material Adverse Effect", "material", "materially" or other similar materiality qualification therein). All covenants, agreements and conditions contained in this Agreement to be performed by the Company on or prior to the date of such Closing shall have been performed or complied with in all material respects.

(b) No Legal Order Pending. There shall not then be in effect any legal or other order enjoining or restraining the transactions contemplated by this Agreement.

(c) No Law Prohibiting or Restricting Such Sale. There shall not be in effect any law, rule or regulation prohibiting or restricting such sale or requiring any consent or approval of any person, which shall not have been obtained, to issue the Securities (except as otherwise provided in this Agreement).

(d) Notice of Disqualification Events. The Company will notify the Subscribers and the Placement Agent in writing, prior to the applicable Closing Date, of (i) any Disqualification Event relating to any Covered Person and (ii) any event that would, with the passage of time, reasonably be expected to become a Disqualification Event relating to any Covered Person, in each case of which it is aware.

SECTION 6.
COVENANTS

6.1 Indemnity. The representations, warranties and covenants made by the Subscriber herein shall survive the relevant Closing. The Subscriber agrees to hold the Company and its directors, officers, employees, controlling persons and agents (including the Company's legal counsel and the Placement Agent and its managers, members, officers, directors, employees, counsel, controlling persons and agents) and their respective heirs, representatives, successors and assigns harmless from and to indemnify them against all liabilities, costs and expenses incurred by them as a result of (i) any misrepresentation made by the Subscriber contained in this Agreement or breach of any warranty by the Subscriber contained in this Agreement or in any exhibits attached hereto; (ii) any untrue statement of a material fact made by the Subscriber contained herein; or (iii) after any applicable notice and/or cure periods, any breach or default in performance by the Subscriber of any covenant or undertaking to be performed by the Subscriber hereunder, or pursuant to any other agreement relating to the Offering that is entered into by the Company and Subscriber relating hereto. Notwithstanding the foregoing, in no event shall the liability of the Subscriber hereunder be greater than the Subscription Amount paid for the Shares by the Subscriber as set forth on the signature page hereto.

6.2 Market Standoff. Subscriber shall not sell or otherwise transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, of any Common Stock (or other securities) of the Company held by such Subscriber (other than those included in the registration) during the period from the filing of a registration statement of the Company filed under the Securities Act of 1933, as amended, or any similar successor federal statute and the rules and regulations thereunder, all as the same shall be in effect from time to time (the "**Securities Act**"), that includes securities to be sold on behalf of the Company to the public in an underwritten public offering under the Securities Act through the end of the 180-day period following the effective date of the registration statement (or such other period as may be requested by the Company or an underwriter to accommodate regulatory restrictions on (i) the publication or other distribution of research reports and (ii) analyst recommendations and opinions, including, but not limited to, the restrictions contained in NASD Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto). The obligations described in this section shall not apply to a registration relating solely to employee benefit plans on Form S-l or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a transaction on Form S-4 or similar forms that may be promulgated in the future. The Company may impose stop-transfer instructions and may stamp each such certificate with the second legend set forth in Section 4.11 with respect to the shares of Common Stock (or other securities) subject to the foregoing restriction until the end of such one hundred eighty (180) day (or other) period. Subscriber agrees to execute a market standoff agreement with said underwriters in customary form consistent with the provisions of this section.

6.3 Listing of Securities. The Company agrees, (i) if the Company applies to have the Class A Common Stock traded on any public offering registered under the Securities Act, for so long as the Board of Directors determines that it remains advisable and in the Company's best interest, it will include in such application the Conversion Shares, and will take such other action as is necessary or desirable to cause the Conversion Shares to be listed on such other trading market as promptly as possible, (ii) it will comply in all material respects with the Company's reporting, filing and other obligations under the Amended Certificate, Company bylaws or rules of the principal trading market of the Class A Common Stock and (iii) for so long as the Board of Directors determines that it remains advisable and in the Company's best interest, the Company will take all commercially reasonable action necessary to continue the listing and trading of its Class A Common Stock on a trading market.

6.4 Reservation of Shares. The Company shall at all times while the Shares are outstanding maintain a reserve from its duly authorized shares of Class A Common Stock of a number of shares of Class A Common Stock sufficient to allow for the issuance of the Conversion Shares.

6.5 Replacement of Certificates. If any physical certificate or instrument evidencing any Securities is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation thereof, or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction and customary and reasonable indemnity, if requested. The applicants for a new certificate or instrument under such circumstances shall also pay any reasonable third-party costs associated with the issuance of such replacement securities. If a replacement certificate or instrument evidencing any securities is requested due to a mutilation thereof, the Company may require delivery of such mutilated certificate or instrument as a condition precedent to any issuance of a replacement.

6.6 Regulation A. The Company shall take such action as the Company shall reasonably determine is necessary in order to obtain an exemption for, or to qualify the Securities for, sale to the Subscriber at the Closing under applicable securities or "blue sky" laws of the states of the United States.

6.7 Equal Treatment of Subscribers. No consideration (including any modification of this Agreement) shall be offered or paid to any person to amend or consent to a waiver or modification of any provision of this Agreement unless the same consideration is also offered to all of the investors in the Offering, including the Subscriber.

SECTION 7.
MISCELLANEOUS

7.1 Amendment. Except as expressly provided herein, neither this Agreement nor any term hereof may be amended, waived, discharged or terminated other than by a written instrument referencing this Agreement and signed by the Company and the Subscriber.

7.2 Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be mailed by registered or certified mail, postage prepaid, sent by facsimile or electronic mail or otherwise delivered by hand, messenger or courier service addressed:

(a) if to the Subscriber, to the Subscriber's address or electronic mail address as provided to the Company on the signature page hereto or to such other address as may be specified by written notice from time to time by the Subscriber;

(b) if to the Company, to the attention of the Chief Executive Officer of the Company at 1070 Terra Bella Avenue, Mountain View, CA 94043, or at such other current address as the Company shall have furnished to the Subscribers;

(c) if to the Placement Agent, to Maxim Group LLC at 405 Lexington Avenue, New York, NY 10174, to such other address as may be specified by written notice from time to time by the Placement Agent; and

(d) if to the Escrow Agent, to it at:

Prime Trust, LLC
330 S. Rampart Blvd
Suite 260
Summerlin, NV 89145
Email: escrow@primetrust.com

Each such notice or other communication shall for all purposes of this Agreement be treated as effective or having been given (i) if delivered by hand, messenger or courier service, when delivered (or if sent via a nationally-recognized overnight courier service, freight prepaid, specifying next-business-day delivery, one business day after deposit with the courier), or (ii) if sent via mail, at the earlier of its receipt or five days after the same has been deposited in a regularly-maintained receptacle for the deposit of the United States mail, addressed and mailed as aforesaid, or (iii) if sent via electronic mail, when directed to the relevant electronic mail address, if sent during normal business hours of the recipient, or if not sent during normal business hours of the recipient, then on the recipient's next business day.

Subject to the limitations set forth in Delaware General Corporation Law §232(e), Subscriber consents to the delivery of any notice to stockholders given by the Company under the Delaware General Corporation Law or the Company's certificate of incorporation or bylaws by (i) electronic mail to the electronic mail address set forth on the Subscriber's profile on the Platform (or to any other electronic mail address for the Subscriber or other security holder in the Company's records), (ii) posting on an electronic network together with separate notice to the Subscriber or other security holder of such specific posting or (iii) any other form of electronic transmission (as defined in the Delaware General Corporation Law) directed to the Subscriber or other security holder. This consent may be revoked by a Subscriber or other security holder by written notice to the Company and may be deemed revoked in the circumstances specified in Delaware General Corporation Law §232.

7.3 Finder's Fees. Each party represents that it neither is nor will be obligated for any finder's fee or commission in connection with this transaction except as described in the SEC Filings. Each Subscriber agrees to indemnify and to hold harmless the Company from any liability for any commission or compensation in the nature of a finder's or broker's fee arising out of this transaction (and the costs and expenses of defending against such liability or asserted liability) for which each Subscriber or any of its officers, employees or representatives is responsible. The Company agrees to indemnify and hold harmless each Subscriber from any liability for any commission or compensation in the nature of a finder's or broker's fee arising out of this transaction (and the costs and expenses of defending against such liability or asserted liability) for which the Company or any of its officers, employees or representatives is responsible.

7.4 Governing Law. This Agreement shall be governed in all respects by the internal laws of the State of Delaware as applied to agreements entered into among Delaware residents to be performed entirely within Delaware, without regard to principles of conflicts of law.

7.5 Expenses. The Company and the Subscriber shall each pay their own expenses in connection with the transactions contemplated by this Agreement.

7.6 Survival. The representations, warranties, covenants and agreements made in this Agreement shall survive any investigation made by any party hereto and the closing of the transactions contemplated hereby for one year from the date of the Closing.

7.7 Successors and Assigns. This Agreement, and any and all rights, duties and obligations hereunder, shall not be assigned, transferred, delegated or sublicensed by any Subscriber without the prior written consent of the Company. Any attempt by Subscriber without such permission to assign, transfer, delegate or sublicense any rights, duties or obligations that arise under this Agreement shall be void. Subject to the foregoing and except as otherwise provided herein, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto.

7.8 Entire Agreement. This Agreement supersedes all prior discussions and agreements between the parties with respect to the subjects hereof and constitutes the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof. The Placement Agent shall be deemed a third party beneficiary of the representations and warranties and covenants made by the Company and the Subscriber in this Agreement. No party shall be liable or bound to any other party in any manner with regard to the subjects hereof or thereof by any warranties, representations or covenants except as specifically set forth herein or therein.

7.9 Delays or Omissions. Except as expressly provided herein, no delay or omission to exercise any right, power or remedy accruing to any party to this Agreement upon any breach or default of any other party under this Agreement shall impair any such right, power or remedy of such non-defaulting party, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or in any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to any party to this Agreement, shall be cumulative and not alternative.

7.10 Severability. If any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, portions of such provision, or such provision in its entirety, to the extent necessary, shall be severed from this Agreement, and such court will replace such illegal, void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the same economic, business and other purposes of the illegal, void or unenforceable provision. The balance of this Agreement shall be enforceable in accordance with its terms.

7.11 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be enforceable against the parties actually executing such counterparts, and all of which together shall constitute one instrument.

7.12 Electronic Execution and Delivery. A facsimile, telecopy or other electronic reproduction of this Agreement may be executed by one or more parties hereto and delivered by such party by facsimile, e-mail, or any similar electronic transmission device pursuant to which the signature of or on behalf of such party can be seen. Such execution and delivery shall be considered valid, binding and effective for all purposes. At the request of any party hereto, all parties hereto agree to execute and deliver an original of this Agreement as well as any facsimile, telecopy or other reproduction hereof.

7.13 Further Assurances. Each party hereto agrees to execute and deliver, by the proper exercise of its corporate, limited liability company, partnership or other powers, all such other and additional instruments and documents and do all such other acts and things as may be necessary to more fully effectuate this Agreement.

7.14 Waiver of Class Action Claims. THE PARTIES AGREE THAT THEY MAY BRING CLAIMS AGAINST THE OTHER ONLY IN THEIR RESPECTIVE INDIVIDUAL CAPACITIES, AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS, REPRESENTATIVE, OR COLLECTIVE ACTION.

7.15 Arbitration. SUBSCRIBER AGREES THAT ANY AND ALL CONTROVERSIES, CLAIMS, OR DISPUTES WITH ANYONE (INCLUDING COMPANY AND ANY EMPLOYEE, OFFICER, DIRECTOR, SHAREHOLDER OR BENEFIT PLAN OF THE COMPANY IN THEIR CAPACITY AS SUCH OR OTHERWISE), ARISING OUT OF, RELATING TO, OR RESULTING FROM ANY BREACH OF THIS AGREEMENT, SHALL BE SUBJECT TO BINDING ARBITRATION UNDER THE ARBITRATION PROVISIONS SET FORTH IN CALIFORNIA CODE OF CIVIL PROCEDURE SECTIONS 1280 THROUGH 1294.2 (THE "**ACT**") AND PURSUANT TO CALIFORNIA LAW. THE FEDERAL ARBITRATION ACT SHALL CONTINUE TO APPLY WITH FULL FORCE AND EFFECT NOTWITHSTANDING THE APPLICATION OF PROCEDURAL RULES SET FORTH IN THE ACT. SUBSCRIBER FURTHER UNDERSTANDS THAT THIS AGREEMENT TO ARBITRATE ALSO APPLIES TO ANY DISPUTES THAT THE COMPANY MAY HAVE WITH SUBSCRIBER.

7.16 Procedure. SUBSCRIBER AGREES THAT ANY ARBITRATION WILL BE ADMINISTERED BY AMERICAN ARBITRATION ASSOCIATION ("**AAA**") PURSUANT TO ITS COMMERCIAL ARBITRATION RULES & PROCEDURES (THE "**AAA RULES**"). THE ARBITRATION PROCEEDING SHALL BE CONDUCTED BEFORE A SOLE NEUTRAL ARBITRATOR AND EACH PARTY SHALL BE RESPONSIBLE FOR ITS OWN COSTS AND EXPENSES OF SUCH ARBITRATION. SUBSCRIBER AGREES THAT THE ARBITRATOR SHALL HAVE THE POWER TO DECIDE ANY MOTIONS BROUGHT BY ANY PARTY TO THE ARBITRATION, INCLUDING MOTIONS FOR SUMMARY JUDGMENT AND/OR ADJUDICATION AND MOTIONS TO DISMISS AND DEMURRERS, APPLYING THE STANDARDS SET FORTH UNDER THE CALIFORNIA CODE OF CIVIL PROCEDURE. SUBSCRIBER AGREES THAT THE ARBITRATOR SHALL ISSUE A WRITTEN DECISION ON THE MERITS. SUBSCRIBER ALSO AGREES THAT THE ARBITRATOR SHALL HAVE THE POWER TO AWARD ANY REMEDIES AVAILABLE UNDER APPLICABLE LAW, AND THAT THE ARBITRATOR SHALL AWARD ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY WHERE PROVIDED BY APPLICABLE LAW. SUBSCRIBER AGREES THAT THE DECREE OR AWARD RENDERED BY THE ARBITRATOR MAY BE ENTERED AS A FINAL AND BINDING JUDGMENT IN ANY COURT HAVING JURISDICTION THEREOF. SUBSCRIBER AGREES THAT THE ARBITRATOR SHALL ADMINISTER AND CONDUCT ANY ARBITRATION IN ACCORDANCE WITH CALIFORNIA LAW, INCLUDING THE CALIFORNIA CODE OF CIVIL PROCEDURE AND THE CALIFORNIA EVIDENCE CODE, AND THAT THE ARBITRATOR SHALL APPLY SUBSTANTIVE AND PROCEDURAL CALIFORNIA LAW TO ANY DISPUTE OR CLAIM, WITHOUT REFERENCE TO RULES OF CONFLICT OF LAW. TO THE EXTENT THAT THE AAA RULES CONFLICT WITH CALIFORNIA LAW, CALIFORNIA LAW SHALL TAKE PRECEDENCE. SUBSCRIBER FURTHER AGREES THAT ANY ARBITRATION UNDER THIS AGREEMENT SHALL BE CONDUCTED IN SANTA CLARA COUNTY, CALIFORNIA. THE PARTIES SHALL REQUEST THAT THE ARBITRATOR CONDUCT THE ARBITRATION PROCEEDING IN AN EXPEDITED FASHION IN ORDER TO COMPLETE THE PROCEEDING AND RENDER A WRITTEN DECISION WITHIN 180 DAYS OF THE DATE UPON WHICH THE ARBITRATOR WAS APPOINTED UNDER THE AAA RULES. THE PARTIES SHALL USE THEIR BEST EFFORTS TO COOPERATE WITH THE ARBITRATORS TO COMPLETE THE PROCEEDING AND RENDER A DECISION WITHIN SUCH 180 DAY PERIOD.

7.17 Remedy. EXCEPT AS PROVIDED BY THE ACT AND THIS AGREEMENT, ARBITRATION SHALL BE THE SOLE, EXCLUSIVE, AND FINAL REMEDY FOR ANY DISPUTE BETWEEN SUBSCRIBER AND THE COMPANY. ACCORDINGLY, EXCEPT AS PROVIDED FOR BY THE ACT AND THIS AGREEMENT, NEITHER SUBSCRIBER NOR THE COMPANY WILL BE PERMITTED TO PURSUE COURT ACTION REGARDING CLAIMS THAT ARE SUBJECT TO ARBITRATION.

7.18 Obligation of Company. The Company agrees to use its reasonable efforts to enforce the terms of this Agreement, to inform the Subscriber of any breach hereof (to the extent the Company has knowledge thereof) and to assist the Subscriber in the exercise of its rights and the performance of its obligations hereunder.

(*Signature Pages* Follow)

The parties are signing this Agreement as of the date first stated in the introductory clause.

KNIGHTSCOPE, INC.
a Delaware corporation

By: _____
William Santana Li
Chief Executive Officer

(Signature Page to Purchase Agreement)

SUBSCRIBER SIGNATURE PAGE TO

KNIGHTSCOPE, INC. SERIES S PREFERRED STOCK PURCHASE AGREEMENT

The undersigned, desiring to: (i) enter into the Series S Preferred Stock Purchase Agreement, dated as of _____ (the "**Purchase Agreement**"), between the undersigned, KNIGHTSCOPE, INC., a Delaware corporation (the "**Company**"), and the other parties thereto, in or substantially in the form furnished to the undersigned and purchase the shares of Series S Preferred Stock (the "**Shares**") of the Company as set forth below, hereby agrees to purchase such Shares from the Company and further agrees to join the Purchase Agreement as a party thereto, with all the rights and privileges appertaining thereto, and to be bound in all respects by the terms and conditions thereof. The undersigned specifically acknowledges having read the representations section in the Purchase Agreement entitled "Representations and Warranties of the Subscribers," and hereby represents that the statements contained therein are complete and accurate with respect to the undersigned as a Subscriber.

The undersigned Subscriber hereby elects to purchase _____ Shares ($ _____) under the Purchase Agreement.

SUBSCRIBER (individual)

_____
Signature

_____
Print Name

_____
Signature (if Joint Tenants or Tenants in Common)

SUBSCRIBER (entity)

_____
Name of Entity

_____
Signature

Print Name: _____

Title: _____

Address of Principal Residence:	Address of Executive Offices:
Social Security Number(s):	IRS Tax Identification Number:
Telephone Number:	Telephone Number:
Email:	Email:

Note: The Company will issue electronic stock certificates for the Shares in the name of the Subscriber to the email address provided above.

(Signature Page to Purchase Agreement)

EXHIBIT A

KNIGHTSCOPE, INC.

SCHEDULE OF EXCEPTIONS

This Schedule of Exceptions is made and given pursuant to Section 3 of the Series S Preferred Stock Subscription Agreement (the "**Agreement**"), between Knightscope, Inc. (the "**Company**") and Subscriber. All capitalized terms used but not defined herein shall have the meanings as defined in the Agreement, unless otherwise provided. The section numbers below correspond to the section numbers of the representations and warranties in the Agreement; provided, however, that any information disclosed herein under any section number shall be deemed to be disclosed and incorporated into any other section number under the Agreement where such disclosure would be appropriate.

Nothing in this Schedule of Exceptions is intended to broaden the scope of any representation or warranty contained in the Agreement or to create any covenant. Inclusion of any item in this Schedule of Exceptions (1) does not represent a determination that such item is material or establish a standard of materiality, (2) does not represent a determination that such item did not arise in the ordinary course of business, (3) does not represent a determination that the transactions contemplated by the Agreement require the consent of third parties, and (4) shall not constitute, or be deemed to be, an admission to any third party concerning such item. This Schedule of Exceptions includes brief descriptions or summaries of certain agreements and instruments, copies of which are available upon reasonable request. Such descriptions do not purport to be comprehensive, and are qualified in their entirety by reference to the text of the documents described. In addition to the matters disclosed herein, the matters disclosed in the filings of the Company made publicly with the SEC are deemed incorporated by reference herein.

3.2 Capitalization

Pro rata right of first refusal with respect to issuances of new securities pursuant to the Series m-2 Preferred Stock Purchase and Exchange Agreement dated as of March 15, 2018 between the Company and Foo Boon Keow.

Note and Warrant Purchase Agreement dated April 30, 2019 between the Company and Proud Ventures KS LLC, pursuant to forms of which up to $15,000,000 of convertible promissory notes and warrants to purchase up to 3,000,000 shares of Series S Preferred Stock have been authorized (20% warrant coverage) (the "**Convertible Note Financing**"); under which convertible notes in the aggregate principal amount of $1,372,000 have been issued as of the date hereof, and warrants to purchase up to 274,400 shares of Series S Preferred Stock has been issued as of the date hereof.

The Company has warrants to purchase shares of the Company outstanding, as follows:

Underlying Shares	No. of Shares
Class B Common Stock Warrants	121,913
Series B Preferred Stock Warrants	53,918
Series m-1 Preferred Stock Warrants	266,961
Series m-3 Preferred Stock Warrants	1,449,543
Series S Preferred Stock Warrants	274,400

Pursuant to the terms of the Convertible Note Financing, the Company became obligated to exchange certain of its outstanding shares of Series m-3 Preferred Stock for the newly authorized shares of Series m-4 Preferred Stock upon the closing of at least $1,000,000 in aggregate principal amount of convertible promissory notes under the Convertible Note Financing. On June 10, 2019, the Company issued 1,432,786 shares of its Series m-4 Preferred Stock in exchange for 1,432,786 shares of its shares of Series m-3 Preferred Stock. The Series m-4 Preferred Stock has a senior liquidation preference to all other Preferred Stock and Common Stock of the Company, has an accruing payment in kind (PIK) dividend of 12%, and has certain other preferential rights, including voting rights, as further explain in the Company's amended and restated certificate of incorporation.

3.10 Obligations to Related Parties

The Company is a party to the following indemnification agreements with certain directors and officers of the Company:

- Indemnification Agreement by and between the Company and William Santana Li, dated August 21, 2014.
- Indemnification Agreement by and between the Company and Aaron Lehnhardt, dated June 18, 2018.
- Indemnification Agreement by and between the Company and Marina Hardof, dated June 18, 2018.
- Indemnification Agreement by and between the Company and Mercedes Soria Li, dated June 18, 2018.
- Indemnification Agreement by and between the Company and Stacy Dean Stephens, dated June 18, 2018.

3.11 Material Changes

Reference is made to items in Section 3.2 of this Disclosure Schedule relating to the Convertible Note Financing.

PrimeTrust

Escrow Services Agreement

This Escrow Services Agreement (this "Agreement") is made and entered into as of July 17, 2019 by and between Prime Trust, LLC ("Prime Trust" or "Escrow Agent"), Knightscope, Inc. (the "Issuer") and Maxim Group LLC (the "Broker").

Recitals

WHEREAS, the Issuer proposes to offer for sale and sell securities to prospective investors sourced by the Broker ("Subscribers"), as disclosed in its offering materials, in an offering exempted from registration pursuant to Regulation A promulgated under the Securities Act of 1933, as amended (the "Offering"), Series S Preferred Stock of the Issuer (the "Securities") in the amount of up to the maximum amount of $50,000,000 (the "Maximum Amount of the Offering").

WHEREAS, Issuer has engaged Broker, a registered broker-dealer with the Securities Exchange Commission and member of the Financial Industry Regulatory Authority, to serve as placement agent or underwriter, as applicable, for the Offering.

WHEREAS, Issuer and Broker desire to establish an Escrow Account in which funds received from Subscribers will be held during the Offering, subject to the terms and conditions of this Agreement.

WHEREAS, Prime Trust agrees to serve as third-party escrow agent for the Subscribers with respect to such Escrow Account (as defined below) in accordance with the terms and conditions set forth herein.

Agreement

NOW THEREFORE, in consideration for the mutual covenants, promises, agreements, representations, and warranties contained in this Agreement and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties herby agree as follows:

1. **Establishment of Escrow Account.** Prior to the Issuer conducting closings with Subscribers in connection with the Offering following the date hereof, and prior to the receipt of the first Subscriber funds following such date, Escrow Agent shall establish an account for the Issuer (the "Escrow Account"). All parties agree to maintain the Escrow Account and Escrow Amount (as defined below) in a manner that is compliant with banking and securities regulations. For purposes of communications and directives, Escrow Agent shall be the sole administrator of the Escrow Account.

2. **Escrow Period.** The escrow period ("Escrow Period") shall begin with the commencement of the Offering and shall terminate upon the earlier to occur of the following:

    a. The date upon which the Maximum Amount of the Offering is received, in bona fide transactions that are fully paid for with cleared funds, which is defined to occur when Escrow Agent has received gross proceeds of the Maximum Amount of the Offering that have cleared in the Escrow Account and the Issuer and Broker have instructed a partial or full closing on those funds.; or

    b. The date that is twelve months from the date that the Offering is qualified by the U.S. Securities and Exchange Commission, if the Maximum Amount of the Offering has not been reached; or

    c. The date upon which a determination is made by Issuer and/or their authorized representatives to terminate the Offering; or

d. Escrow Agent's exercise of the termination rights specified in Section 8.

During the Escrow Period, the parties agree that (i) the Escrow Account and escrowed funds will be held for the benefit of the Subscribers, and that (ii) neither Issuer nor the Broker are entitled to any funds received into the Escrow Account, and that no amounts deposited into the Escrow Account shall become the property of Issuer, Broker or any other entity, or be subject to any debts, liens or encumbrances of any kind of Issuer or any other entity, until the contingency has been satisfied by the sale of the Securities to such investors in bona fide transactions that are fully paid and cleared.

3. **Deposits into the Escrow Account.** All Subscribers will be directed by the Issuer and its agents to transmit their data and subscription amounts, via Escrow Agent's technology systems ("Issuer Dashboard"), directly to the Escrow Account to be held for the benefit of Subscribers in accordance with the terms of this Agreement and applicable regulations. All Subscribers will transfer funds directly to the Escrow Agent (with checks, if any, made payable to "Prime Trust, LLC as Escrow Agent for Investors in Knightscope, Inc.") for deposit into the Escrow Account. Escrow Agent shall process all Escrow Amounts for collection through the banking system, shall hold such funds, and shall maintain an accounting of each deposit posted to its ledger, which also sets forth, among other things, each Subscriber's name and address, the quantity of Securities purchased, and the amount paid. All monies so deposited in the Escrow Account and which have cleared the banking system are hereinafter referred to as the "Escrow Amount." No interest shall be paid to Issuer or Subscribers on balances in the Escrow Account. Issuer shall promptly, concurrent with any new or modified Subscription Agreement and/or offering documents, provide Escrow Agent with a copy of the Subscriber's subscription and other information as may be reasonably requested by Escrow Agent in the performance of their duties under this Agreement. Escrow Agent is under no duty or responsibility to enforce collection of any funds delivered to it hereunder. Issuer shall assist Escrow Agent with clearing any and all AML and ACH exceptions.

Funds Hold — clearing, settlement and risk management policy: All parties agree that funds are considered "cleared" as follows:
* Wires — 24 hours after receipt of funds
* Checks — 10 days after deposit
* ACH — As transaction must clear in a manner similar to checks, and as Federal regulations provide investors with 60 days to recall funds. For risk reduction and protection, in making an effort to provide flexibility to Issuer, the Escrow Agent shall at its discretion post funds as cleared starting 10 calendar days after receipt. Of course, regardless of this operating policy, Issuer remains liable to immediately and without protestation or delay return to Prime Trust any funds recalled for whatever reason pursuant to Federal regulations.

Notwithstanding the foregoing, cleared funds remain subject to internal compliance review in accordance with internal procedures and applicable rules and regulations. Escrow Agent reserves the right to deny, suspend or terminate participation in the Escrow Account of any Subscriber to the extent Escrow Agent, in its sole and absolute discretion, deems it advisable or necessary to comply with applicable laws or to eliminate practices that are not consistent with laws, rules, regulations or best practices.

4. **Disbursements from the Escrow Account.**

In the event Escrow Agent receives cleared funds for the purchase Securities prior to the termination of the Escrow Period, and for any point thereafter and Escrow Agent receives a written instruction from Issuer and Broker (generally via notification on the Issuer Dashboard), Escrow Agent shall, pursuant to those instructions, make a disbursement to the Issuer from the Escrow Account. Issuer acknowledges that there is a 24-hour (one business day) processing time once a request has been received to disburse funds from the Escrow Account. Furthermore, Issuer directs Escrow Agent to accept instructions regarding fees from Broker, including other registered securities brokers in the syndicate, if any, or from the API integrated platform or Broker through which this Offering is being conducted, if any.

5. **Collection Procedure.** Escrow Agent is hereby authorized, upon receipt of Subscriber funds, to promptly deposit them in the Escrow Account. Any Subscriber funds which fail to clear or are subsequently reversed, including but not limited to ACH chargebacks and wire recalls, shall be debited to the Escrow Account, with such debits reflected on the Escrow Account ledger accessible via Escrow Agent's API or dashboard technology. Any and all escrow fees paid by Issuer, including those for funds receipt and processing are non-refundable, regardless of whether ultimately cleared, failed, rescinded, returned or recalled. In the event of any Subscriber refunds, returns or recalls after funds have already been remitted to Issuer, then Issuer hereby irrevocably agrees to immediately and without delay or dispute send equivalent funds to Escrow Agent to cover such refunds, returns or recalls. If either Broker or Issuer have any dispute or disagreement with its Subscriber then that is separate and apart from this Agreement and Issuer will address such situation directly with said Subscriber, including taking whatever actions Issuer determines appropriate, but Issuer shall regardless remit funds to Escrow Agent and not involve Escrow Agent in any such disputes.

6. **Escrow Administration Fees, Compensation of Prime Trust.** Escrow Agent is entitled to the escrow administration fees from Issuer as set forth in Schedule A attached hereto. All fees are charged immediately upon receipt of this Agreement and then immediately as they are incurred in Escrow Agent's performance hereunder and are not contingent in any way on the success or failure of the Offering or transactions contemplated by this Agreement. No fees, charges or expense reimbursements of Escrow Agent are reimbursable, and are not subject to pro-rata analysis. All fees and charges, if not paid by a representative of Issuer (e.g. funding platform, lead syndicate broker, etc.), may be made via either Issuer's credit card or ACH information on file with Escrow Agent. Escrow Agent may also collect its fee(s), at its option, from any other account held by the Issuer at Prime Trust. It is acknowledged and agreed that no fees, reimbursement for costs and expenses, indemnification for any damages incurred by Issuer, Broker or Escrow Agent shall be paid out of or chargeable to the investor funds on deposit in the Escrow Account unless instructed otherwise pursuant to joint written instructions from the Issuer and the Broker in connection with disbursements made pursuant to Section 4 herein.

7. **Representations and Warranties.** The Issuer and Broker each covenants and makes the following representations and warranties to Escrow Agent:

    a. It is duly organized, validly existing, and in good standing under the laws of the state of its incorporation or organization and has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder.

    b. This Agreement and the transactions contemplated thereby have been duly approved by all necessary actions, including any necessary shareholder or membership approval, has been executed by its duly authorized officers, and constitutes a valid and binding agreement enforceable in accordance with its terms.

    c. The execution, delivery, and performance of this Agreement is in accordance with the agreements related to the Offering and will not violate, conflict with, or cause a default under its articles of incorporation, bylaws, management agreement or other organizational document, as applicable, any applicable law, rule or regulation, any court order or administrative ruling or decree to which it is a party or any of its property is subject, or any agreement, contract, indenture, or other binding arrangement, including the agreements related to the Offering, to which it is a party or any of its property is subject.

d. The Offering shall contain a statement that Escrow Agent has not investigated the desirability or advisability of investment in the Securities nor approved, endorsed or passed upon the merits of purchasing the Securities; and the name of Escrow Agent has not and shall not be used in any manner in connection with the Offering of the Securities other than to state that Escrow Agent has agreed to serve as escrow agent for the limited purposes set forth in this Agreement.

e. To the knowledge of the Issuer and Broker, as applicable, no party other than the parties hereto has, or shall have, any lien, claim or security interest in the Escrow Funds or any part thereof. To the knowledge of the Issuer and Broker, as applicable, no financing statement under the Uniform Commercial Code is on file in any jurisdiction claiming a security interest in or describing (whether specifically or generally) the Escrow Funds or any part thereof.

f. It possesses such valid and current licenses, certificates, authorizations or permits issued by the appropriate state, federal or foreign regulatory agencies or bodies necessary to conduct its respective businesses, and it has not received any notice of proceedings relating to the revocation or modification of, or non-compliance with, any such license, certificate, authorization or permit.

g. Its business activities are in no way related to Cannabis, gambling, pornography, or firearms.

h. The Offering complies in all material respects with the Act and all applicable laws, rules and regulations.

All of its representations and warranties contained herein are true and complete as of the date hereof and will be true and complete at the time of any disbursement of Escrow Funds.

8. **Term and Termination.** This Agreement will remain in full force during the Escrow Period and shall terminate upon the following:

a. As set forth in Section 2.

b. Termination for Convenience. Any party may terminate this Agreement at any time for any reason by giving at least thirty (30) days' written notice.

c. Escrow Agent's Resignation. Escrow Agent may unilaterally resign by giving written notice to Issuer, whereupon Issuer will immediately appoint a successor escrow agent. Without limiting the generality of the foregoing, Escrow Agent may terminate this Agreement and thereby unilaterally resign under the circumstances specified in Section 2. Until a successor escrow agent accepts appointment or until another disposition of the subject matter has been agreed upon by the parties, following such resignation notice, Escrow Agent shall be discharged of all of its duties hereunder save to keep the subject matter whole.

9. **Binding Arbitration, Applicable Law, Venue, and Attorney's Fees.** This Agreement is governed by, and will be interpreted and enforced in accordance with the laws of the State of Nevada, as applicable, without regard to principles of conflict of laws. Any claim or dispute arising under this Agreement may only be brought in arbitration, pursuant to the rules of the American Arbitration Association, with venue in Clark County, Nevada. The parties consent to this method of dispute resolution, as well as jurisdiction, and consent to this being a convenient forum for any such claim or dispute and waives any right it may have to object to either the method or jurisdiction for such claim or dispute. Furthermore, the prevailing party shall be entitled to recover damages plus reasonable attorney's fees and costs and the decision of the arbitrator shall be final, binding and enforceable in any court.

10. **Limited Capacity of Escrow Agent.** This Agreement expressly and exclusively sets forth the duties of Escrow Agent with respect to any and all matters pertinent hereto, and no implied duties or obligations shall be read into this Agreement against Escrow Agent. Escrow Agent acts hereunder as an escrow agent only and is not associated, affiliated, or involved in the business decisions or business activities of Issuer, Broker, or Subscriber. Escrow Agent is not responsible or liable in any manner whatsoever for the sufficiency, correctness, genuineness, or validity of the subject matter of this Agreement or any part thereof, or for the form of execution thereof, or for the identity or authority of any person executing or depositing such subject matter. Escrow Agent shall be under no duty to investigate or inquire as to the validity or accuracy of any document, agreement, instruction, or request furnished to it hereunder, including, without limitation, the authority or the identity of any signer thereof, believed by it to be genuine, and Escrow Agent may rely and act upon, and shall not be liable for acting or not acting upon, any such document, agreement, instruction, or request, except in case of gross negligence or willful misconduct of the Escrow Agent. Escrow Agent shall in no way be responsible for notifying, nor shall it be responsible to notify, any party thereto or any other party interested in this Agreement of any payment required or maturity occurring under this Agreement or under the terms of any instrument deposited herewith. Escrow Agent's entire liability, and Broker and Issuer's exclusive remedy, in any cause of action based on contract, tort, or otherwise in connection with any services furnished pursuant to this Agreement shall be limited to the total fees paid to Escrow Agent by Issuer, except in case of gross negligence or willful misconduct of the Escrow Agent. The Escrow Agent shall not be called upon to advise any party as to the wisdom in selling or retaining or taking or refraining from any action with respect to any securities or other property deposited hereunder. Escrow Agent may consult legal counsel selected by it in the event of any dispute or question as to the construction of any of the provisions hereof or of any other agreement or of its duties hereunder, or relating to any dispute involving any party hereto

11. **Indemnity.** Issuer agrees to defend, indemnify and hold Escrow Agent and its related entities, directors, employees, service providers, advertisers, affiliates, officers, agents, and partners and third-party service providers (collectively, "Escrow Agent Indemnified Parties") harmless from and against any loss, liability, claim, or demand, including attorney's fees (collectively "Expenses"), made by any third party due to or arising out of this Agreement or a material breach of any provision in this Agreement by the Issuer. To the extent arising out of the foregoing, this indemnity shall include, but is not limited to, (a) all Expenses incurred in conjunction with any interpleader that Escrow Agent may enter into regarding this Agreement and/or third-party subpoena or discovery process that may be directed to Escrow Agent Indemnified Parties, and (b) any action(s) by a governmental or trade association authority seeking to impose criminal or civil sanctions on any Escrow Agent Indemnified Parties based on a connection or alleged connection between this Agreement and Issuers business and/or associated persons. These defense, indemnification and hold harmless obligations will survive termination of this Agreement.

12. **Entire Agreement, Severability and Force Majeure.** This Agreement contains the entire agreement among Broker, Issuer and Escrow Agent regarding the Escrow Account. If any provision of this Agreement is held invalid, the remainder of this Agreement shall continue in full force and effect. Furthermore, no party shall be responsible for any failure to perform due to acts beyond its reasonable control, including terrorism, shortage of supply, labor difficulties (including strikes), war, civil unrest, fire, floods, or other similar causes.

13. **Escrow Agent Compliance.** Escrow Agent may, at its sole discretion, comply with any new, changed, or reinterpreted regulatory or legal rules, laws or regulations, law enforcement or prosecution policies, and any interpretations of any of the foregoing, and without necessity of notice, Escrow Agent may (i) modify either this Agreement or the Escrow Account, or both, to comply with or conform to such changes or interpretations or (ii) terminate this Agreement or the Escrow Account or both if, in the sole and absolute discretion of Escrow Agent, changes in law enforcement or prosecution policies (or enactment or issuance of new laws or regulations) applicable to the Issuer might expose Escrow Agent to a risk of criminal or civil prosecution, and/or of governmental or regulatory sanctions or forfeitures if Escrow Agent were to continue its performance under this Agreement. Furthermore, all parties agree that this Agreement shall continue in full force and be valid, unchanged and binding upon any successors of Escrow Agent. Changes to this Agreement will be sent to Issuer via email and to the notice address provided below. Escrow Agent may act or refrain from acting in respect of any matter referred to in this Escrow Agreement in full reliance upon and by and with the advice of its legal counsel and shall be fully protected in so acting or in refraining from acting upon advice of counsel. In the event that the Escrow Agent shall be uncertain as to its duties or rights hereunder, the Escrow Agent shall be entitled to (i) refrain from taking any action other than to keep safe the Escrow Amounts until directed otherwise by a court of competent jurisdiction or, (ii) interpead the Escrow Amount to a court of competent jurisdiction.

14. **Waivers.** No waiver by any party to this Agreement of any condition or breach of any provision of this Agreement will be effective unless in writing. No waiver by any party of any such condition or breach, in any one instance, will be deemed to be a further or continuing waiver of any such condition or breach or a waiver of any other condition or breach of any other provision contained in this Agreement.

15. **Notices.** Any notice to Escrow Agent is to be sent to escrow@primetrust.com. Any notices to Issuer will be by both mail to **Knightscope, Inc., Attention CEO, 1070 Terra Bella Avenue, Mountain View, CA 94043 and by email to** invest@knightscope.com and any notices to the Broker will be sent by both mail to Maxim Group LLC, Attention Michael Quintavalla, 405 Lexington Avenue, New York, NY 10174 and by email to mquintavalla@maximgrp.com.

    Any party may change their notice or email address giving notice thereof in accordance with this Paragraph. All notices hereunder shall be deemed given: (1) if served in person, when served; (2) if sent by email, on the date of transmission if before 6:00 p.m. Eastern time, provided that a hard copy of such notice is also sent by either a nationally recognized overnight courier or by U.S. Mail, first class; (3) if by overnight courier, by a nationally recognized courier which has a system of providing evidence of delivery, on the first business day after delivery to the courier; or (4) if by U.S. Mail, on the third day after deposit in the mail, postage prepaid, certified mail, return receipt requested. Furthermore, all parties hereby agree that all current and future notices, confirmations and other communications regarding this Agreement specifically, and future communications in general between the parties, may be made by email, sent to the email address of record as set forth above or as otherwise from time to time changed or updated in Issuer Dashboard, directly by the party changing such information, as long as confirmation of receipt, delivery or reading is received, and such form of electronic communication is sufficient for all matters regarding the relationship between the parties. If the sender does not receive confirmation of receipt, delivery or reading of any such electronically-sent communication, the parties shall be obligated to use other means of notice that are specified above.

16. **Counterparts; Email; Signatures; Electronic Signatures.** This Agreement may be executed in counterparts, each of which will be deemed an original and all of which, taken together, will constitute one and the same instrument, binding on each signatory thereto. This Agreement may be executed by signatures, electronically or otherwise, and delivered by email in ..pdf format, which shall be binding upon each signing party to the same extent as an original executed version hereof.

17. **Substitute Form W–9:** Taxpayer Identification Number certification and backup withholding statement. PRIVACY ACT STATEMENT: Section 6109 of the Internal Revenue Code requires you (Issuer) to provide us with your correct Taxpayer Identification Number (TIN). *Under penalties of Perjury, Issuer certifies that:* (1) the tax identification number provided to Escrow Agent is the correct taxpayer identification number and (2) Issuer is not subject to backup withholding because: (a) Issuer is exempt from backup withholding, or, (b) Issuer has not been notified by the Internal Revenue Service (IRS) that it is subject to backup withholding. *Notification Obligation:* Issuer agrees to immediately inform Prime Trust in writing if it has been, or at any time in the future is notified by the IRS that Issuer is subject to backup withholding.

18. **Survival.** Even after this Agreement is terminated, Sections 3, 4, 5, 9, 10, 11, 12, 13, 14, 15 and this Section 18 of this Agreement will survive such termination. Upon any termination, Escrow Agent shall be compensated for the services as of the date of the termination or removal.

[Signature Page Follows]

PrimeTrust

Consent is Hereby Given: By signing this Agreement electronically, Issuer explicitly agrees to receive documents electronically including its copy of this signed Agreement as well as ongoing disclosures, communications, and notices.

Agreed as of the date set forth above by and between:

ISSUER:

Knightscope, Inc.

By: /s/ William Santana Li

Name: William Sananta Li
Title: Chairman and CEO

BROKER:

Maxim Group LLC

By: /s/ Clifford A. Teller

Name: Clifford A. Teller
Title: Executive Managing Director, IB

ESCROW AGENT:

Prime Trust, LLC

By: /s/ Whitney J. White

Name: Whitney J. White
Title: Chief Operating Officer & CTO

PrimeTrust

SCHEDULE A – KNIGHTSCOPE REG A

[REDACTED]

Exhibit 11.1

Consent of Independent Auditors

We consent to the use of our report dated April 29, 2019, in Amendment No. 2 to the Regulation A Offering Statement (Form 1-A No. 024-11004) of Knightscope, Inc.

/s/ Ernst & Young LLP

San Francisco, California
July 16, 2019

Exhibit 12.1

May 20, 2019

Knightscope, Inc.
1070 Terra Bella Avenue
Mountain View, CA 94043

Re: Offering Statement of Knightscope, Inc. on Form 1-A

Ladies and Gentlemen:

This opinion is furnished to you in connection with the Offering Statement on Form 1-A, as amended (the "Offering Statement"), filed by Knightscope, Inc. (the "Company") with the Securities and Exchange Commission in connection with the offering under Regulation A of the Securities Act of 1933, as amended, of up to 6,250,000 shares of its Series S Preferred Stock (the "Shares"), to be issued and sold by the Company. We understand that the Shares are to be sold to the public as described in the Offering Statement and pursuant to the form subscription agreement attached to the Offering Statement (the "Subscription Agreement").

We are acting as counsel for the Company in connection with the sale of the Shares by the Company. In such capacity, we have examined originals or copies, certified or otherwise identified to our satisfaction, of such documents, corporate records, certificates of public officials and other instruments as we have deemed necessary for the purposes of rendering this opinion. In our examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity with the originals of all documents submitted to us as copies, the authenticity of the originals of such documents and the legal competence of all signatories to such documents.

We express no opinion herein as to the laws of any state or jurisdiction other than the General Corporation Law of the State of Delaware (including the statutory provisions and all applicable judicial decisions interpreting those laws) and the federal laws of the United States of America.

On the basis of the foregoing, we are of the opinion that the Shares have been duly authorized and, when such Shares are issued and paid for in accordance with the terms of the Subscription Agreement, will be validly issued, fully paid and nonassessable.

We consent to the use of this opinion as an exhibit to the Offering Statement.

Very truly yours,

WILSON SONSINI GOODRICH & ROSATI

Professional Corporation
/s/ Wilson Sonsini Goodrich & Rosati, P.C.