

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

**FORM S-1
REGISTRATION STATEMENT**

*Under
The Securities Act of 1933*

Airgain, Inc.

(Exact Name of Registrant as Specified in Its Charter)

California (prior to reincorporation)
Delaware (after reincorporation)
(State or Other Jurisdiction of
Incorporation or Organization)

3663
(Primary Standard Industrial
Classification Code Number)

20-0281763
(I.R.S. Employer
Identification Number)

3611 Valley Centre Drive, Suite 150
San Diego, CA 92130 USA
(760) 579-0200

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Charles Myers
President and Chief Executive Officer
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San Diego, CA 92130
(760) 579-0200

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee(2)
Common stock, \$0.0001 par value	\$17,250,000	\$1,738

- (1) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended. Includes the offering price of shares that the underwriters have the option to purchase to cover over-allotments, if any.
(2) Calculated pursuant to Rule 457(o) based on an estimate of the proposed maximum aggregate offering price.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and is not the solicitation of an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JULY 15, 2016

PRELIMINARY PROSPECTUS



Airgain, Inc.

Shares of Common Stock

This is the initial public offering of securities of Airgain, Inc. We are offering to sell _____ shares of our common stock.

Prior to this offering, there has been no public market for our securities. The initial public offering price is expected to be between \$ _____ and \$ _____ per share. We have applied to list our shares of common stock on The NASDAQ Capital Market under the symbol "AIRG."

We are an "emerging growth company" under federal securities laws and are subject to reduced public company reporting requirements. Investing in the common stock involves risks that are described in the "[Risk Factors](#)" section beginning on page 12 of this prospectus.

The offering is being underwritten on a firm commitment basis. We have granted the underwriters an option to buy up to an additional _____ shares of common stock to cover over-allotments. The underwriters may exercise this option at any time and from time to time during the 30-day period from the date of this prospectus.

	<u>Per Share</u>	<u>Total</u>
Initial public offering price	\$ _____	\$ _____
Underwriting discounts and commissions(1)	\$ _____	\$ _____
Proceeds to us, before expenses	\$ _____	\$ _____

(1) In addition, we have agreed to reimburse the underwriters for certain expenses. See "Underwriting" on page 115 of this prospectus for additional information.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Delivery of the shares will be made on or about _____, 2016, subject to customary closing conditions.

Northland Capital Markets

The date of this prospectus is _____, 2016

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You should rely only on the information contained in this prospectus or in any free writing prospectus we may authorize to be delivered or made available to you. We have not authorized anyone to provide you with different information. We are offering to sell, and seeking offers to buy, shares of common stock only in jurisdictions where offers and sales are permitted. The information in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of shares of our common stock. Our business, financial condition, operating results and prospects may have changed since that date.

For investors outside the United States: We or the underwriters have not done anything that would permit a public offering of the shares of our common stock or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside of the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of common stock and the distribution of this prospectus outside of the United States.

Airgain, the Airgain logo, and other trademarks or service marks of Airgain appearing in this prospectus are the property of Airgain. This prospectus also includes trademarks, tradenames and service marks that are the property of other organizations. Solely for convenience, trademarks and tradenames referred to in this prospectus appear without the ® and ™ symbols, but those references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights, or that the applicable owner will not assert its rights, to these trademarks and tradenames.

PROSPECTUS SUMMARY

The following summary highlights information contained elsewhere in this prospectus and does not contain all of the information that you should consider in making your investment decision in our common stock. Before investing in our common stock, you should carefully read this entire prospectus, including our financial statements and the related notes included in this prospectus and the information set forth under the headings "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." As used in this prospectus, unless the context otherwise requires, references to "we," "us," "our," "our company" and "Airgain" refer to Airgain, Inc.

Our Company

Airgain is a leading provider of embedded antenna technologies used to enable high performance wireless networking across a broad range of home, enterprise, and industrial devices. Our innovative antenna systems open up exciting new possibilities in wireless services requiring high speed throughput, broad coverage footprint, and carrier grade quality. Our antennas are found in devices deployed in carrier, enterprise, and residential wireless networks and systems, including set top boxes, access points, routers, gateways, media adapters, and digital televisions. Through our pedigree in the design, integration, and testing of high performance embedded antenna technology, we have become a leading provider to the residential wireless local area network, also known as WLAN or Wi-Fi, short for Wireless Fidelity, antenna market, supplying to leading carriers, Original Equipment Manufacturers, or OEMs, Original Design Manufacturers, or ODMs, and system designers who depend on us to achieve their wireless performance goals. We also develop embedded antenna technology for adjacent markets, including enterprise Wi-Fi systems for on premises and cloud-based services, and for small cellular applications using Long-Term Evolution, or LTE, and Digital Enhanced Cordless Telecommunications, or DECT, and high-performance designs for the in-building wireless market.

We partner with and supply the largest blue chip brands in the world, including OEMs, ODMs, chipset makers, and global operators. Through our close working relationships with the leading WLAN chipset makers, we have developed a significant level of expertise in the testing and evaluation of chipset reference designs and systems enabling the relative performance benchmarking between devices. To satisfy the rapidly evolving technology needs of the industry, we have remained on the leading edge of next generation development including solutions for Multiple Input, Multiple Output, or MIMO, Multi-User MIMO, or MU-MIMO, beam forming, and active antenna systems. The embedding of our antennas within chipset reference designs provides broad market visibility of our antenna solutions' capability early in the design cycle of new devices and in doing so provides us a competitive opportunity. Our sales, engineering, and executive management teams maintain relationships with key decision makers and engineering teams within this client value chain.

We offer early design, custom engineering support, and superior over-the-air, or OTA, testing capability, and our design teams partner with customers from the early stages of antenna prototyping, throughput testing, performance and device integration to facilitate optimal throughput performance and fastest possible time to market. We view our chipset partner, OEM, ODM and carrier relationships as strategic components to our success. We use third parties to manufacture our products while maintaining oversight for critical test and calibration functions. We have 46 issued patents in the United States and 21 companion patents outside the United States, and 87 patent applications on file.

We have approximately 330 antenna products in our portfolio. We shipped approximately 87 million antenna products worldwide in 2015 enabling approximately 34 million devices. During that period, we supplied our products to carriers, OEMs and ODMs in the United States, Europe, Canada and Asia, including Actiontec Electronics, Inc., ARRIS Group, Inc., Belkin International, Inc., DIRECTV, LLC, EchoStar Corporation, Huawei Technologies Co., Ltd., Pace plc, Sagemcom SAS and ZTE Corporation, among others. We have achieved

significant growth in our business in a short period of time. From 2011 to 2015, our sales have grown from \$10.0 million to \$27.8 million, while our net loss has decreased from a net loss of \$5.1 million in 2011 to a net loss of \$0.3 million in 2015. For the three months ended March 31, 2016, our net income was \$0.1 million.

Industry Background

We supply antennas that are part of the greater wireless communications industry. All wireless devices, from Wi-Fi routers to mobile handsets, require an antenna, or multiple antennas, to communicate with other devices. Antennas are the essential component in enabling wireless connectivity, and their design and application can dramatically affect throughput, range, and reliability of wireless devices.

Wireless technology has grown rapidly. When it was first introduced to the mass market in the United States in the mid-1980s, the primary application was analog cellular phone voice services. However, wireless has rapidly evolved as the shift to digital and Internet Protocol ramped up and the explosion of ubiquitous broadband connectivity was born. The rapid growth of internet applications, websites and media opportunities has given consumers unlimited uses for wireless devices including managing e-mail, online browsing and shopping, and running applications for business, personal productivity, and entertainment and media while on the go. Carriers and enterprises have also realized the economic benefits of wireless connectivity to enable efficient delivery of premium content and internet services in the home, enterprise and mobile markets. Over the past decade, wireless technologies such as cellular and Wi-Fi have emerged as mainstream networking platforms to connect people and data via devices. According to the Cisco Visual Networking Index, or the Cisco Report, there were approximately 7.9 billion mobile connected devices in 2015—1.1 for every person on Earth. By 2021, there are expected to be approximately 11.6 billion mobile-connected devices, representing nearly 1.5 mobile devices per person on Earth.

The most common form of wireless access is Wi-Fi. Wi-Fi is a standard established by the Institute of Electrical and Electronics Engineers, or IEEE, known technically as 802.11. The Wi-Fi standard is “the most ubiquitous wireless connectivity technology for internet access” according to ABI Research, a market intelligence firm. Wi-Fi enables devices to operate on a local area network, or LAN, or wide area network, or WAN, to connect to and access the internet and communicate with others without using cabling or wiring. It adds the convenience of mobility to the powerful utility provided by high-speed data networks, and is a natural extension of broadband connectivity in the home and office. Wi-Fi was first utilized in applications such as computers and routers, and is now commonly embedded into everyday electronic devices, such as printers, digital cameras, gaming devices, smart phones, tablets and broadband access systems for video and data enablement. In addition, many new products are coming out with multiple wireless capabilities whereby Wi-Fi and other similar wireless protocols have become ‘must have’ features to extend a device’s basic utility. As an example, smart devices such as Apple iPhone and Samsung Galaxy come equipped with Wi-Fi, Bluetooth and Near Field Communication, or NFC, functions, in addition to traditional cellular functions. Each of these represents a separate radio technology, and each radio requires different antenna solutions to provide an optimal user experience.

The Wi-Fi market is continuing to grow rapidly as the technology is adopted across a wide variety of markets, including consumer, mobile, automotive, and emerging markets such as machine to machine, or M2M. The increase of in-home wireless devices in security and remote monitoring, lighting, HVAC, and entertainment has helped drive the embedded antenna market. According to ABI Research, the number of Wi-Fi-enabled device shipments, excluding cellular and personal computers, is expected to exceed 1.3 billion devices annually by 2021, representing a 13% compound annual growth rate, or CAGR, in this market for the period from 2016 through 2021. Our customers demand an ever increasing number of antennas per device and increasing antenna system complexity to support the evolving and new ways to wirelessly connect. 802.11 standards are expanding and evolving in terms of multi-carrier and multi user Multiple Input, Multiple Output, or MIMO, schemes, with a path to higher efficiency WLAN through 802.11ax, and through introducing new frequency bands through Wi-Fi Halo™, WiGig, and White-Fi. Short range wireless technologies such as Z-Wave and ZigBee continue to evolve while they gain

popularity within the home area network, or HAN, space, for applications such as home automation, security, and remote control. The evolution of the 802.11 standard has opened the door for a significant expansion in the average number of antennas per device, from initially one or two antennas per device in early interpretations such as 802.11b/g, to today's 802.11ac standard that supports up to eight antennas per device.

Our Core Strengths and Solutions

Our core competency is designing high throughput-performance embedded antenna solutions, and we have become a leading provider in the in-home WLAN antenna market. We are an antenna solution provider optimizing antenna systems for maximum system device OTA data throughput performance as an integral step in the antenna system design process, enabling the best possible throughputs for devices in their native application. Common antenna industry practice is to design antennas exclusively within a passive environment, using simulation tools based on the assumption of free space. The modern in-home environment is a highly complex multipath environment that is not always accurately represented by antenna simulation tool modeling. We design all our antenna systems for in-home applications using a combination of device and environment modeling, with active antenna OTA throughput performance feedback, providing our customers high device throughputs in their intended in-home or in-office environment.

The core focus of our proprietary antenna integration process remains performance optimization across factors that affect end users. Throughput, reliability, and cost represent three key metrics for optimization. We have been designing and evaluating wireless antenna solutions for 802.11-based WLAN devices since our inception in 2004. We have gained industry leading expertise in the testing and evaluation of wireless systems to determine relative performance differences between devices, and have developed a proprietary set of performance metrics, measurement methodologies, and test conditions to enable measuring and predicting the relative performance of 802.11-based WLAN devices and networks at the component and application level.

We engage with customers in the early stages of a program before prototype tooling is available, using 3D CAD models and/or physical mockups of our customers' devices to simulate and measure the interactions, providing valuable feedback for the device design enhancement. We provide valuable feedback on how to improve performance by helping customers make changes to accommodate the selection and placement of an antenna, or antennas, within the early design and prototype stages.

- *Design services and prototyping.* Working with customers in the early design phase, we provide input and help to ensure products perform well in the field. This starts with analyzing customer designs and devising prototype solutions that will meet the needs of customers. We do this iteratively with customers as required to create a custom solution. Our early stage design support centers on our proprietary AirMetric™ predictive antenna performance modeling solution which offers customers increased device performance and reduces product development time and costs. Using AirMetric™, we can identify the most promising antenna system through simulation and provide device manufacturers with design recommendations (e.g., box size and orientation, printed circuit board, or PCB, heat sink/shield locations and size, etc.) before devices are built.
- *Extensive Over-the-Air (OTA) testing.* Our proprietary performance metrics, measurement methodologies, and automated test conditions enable accurate and repeatable characterization of the relative OTA performance of 802.11-based WLAN devices from routers, gateways, and set-top boxes, to TV sets. Our benchmark testing provides an accurate assessment of the performance characteristics for devices to enable manufacturers to make informed decisions in selecting the best antenna solution for their needs. We have developed a proprietary hardware and software solution using stop-motion turntables to measure effective throughput of competing antenna solutions. This technology enables the capture of thousands of data points at each location and ensures accurate and repeatable results. This throughput-focused testing provides repeatable comparisons of metrics that our customers value above

antenna specific and passive measurements alone. Our OTA test process utilizes industry standard measurement tools and our proprietary implementation of the IEEE 802.11.2 Draft Recommended Practice for the Evaluation of 802.11 based Wireless Performance.

- *Product evolution and innovation.* We employ engineers to continually develop better performing antennas for the benefit of customers. In addition, we innovate through the development of new designs and technologies that can be used for future customer needs. Over 50% of our employees are dedicated to engineering and design, with seven Ph.D.s on staff.

Our Opportunity

Our opportunity is driven by the confluence of trends regarding how people access and use digital content within their homes, businesses, and personal lives on-the-go. Within our core in-home market, the list of antenna applications is constantly evolving, from access points and wireless extenders, to routers, residential gateways, set-top boxes, media adapters, smart TVs, smart remotes, printers, gaming consoles, wireless speakers, wireless cameras and home security and automation systems and nodes.

- *Growth of wireless devices.* Over the past decade, wireless technologies such as cellular and Wi-Fi have emerged as mainstream networking platforms to connect people and data via devices. According to the Cisco Report there were approximately 7.9 billion mobile connected devices in 2015—1.1 for every person on earth. By 2021, there are expected to be approximately 11.6 billion mobile-connected devices, including Machine-to-Machine, or M2M, devices, representing nearly 1.5 mobile devices per person on Earth.
- *Emerging whole-home video market.* The demand for smart phone, tablet, laptop and notebook connectivity in the home and enterprise is robust. Whereas families often shared a single computer and internet connection in the 1990's, ubiquitous wireless connectivity throughout the home is available today via carrier gateways that enable Internet access and media distribution to multiple smart phones, fixed and mobile computing devices and smart TVs that share the same broadband data connections. Wireless access enables mobility and the potential sale of additional services by telecom, cable, and satellite broadcast companies and does not require the time and cost for cabling. Additionally, the demand for OTA audio and video services from the Internet is expanding as households enjoy free or paid content subscriptions to sites such as Netflix, Apple TV, Amazon Prime, Pandora, YouTube, and many others on a 24/7 basis. Our business opportunity is driven by the rapidly expanding market for embedded antenna solutions for in-home wireless data and video connectivity products. Wi-Fi has emerged as the key wireless technology for delivering media services in the connected home of smart devices. According to the Cisco Report, globally, in 2015, a smart device generated 14 times more traffic than a non-smart device, and by 2020 a smart device is estimated to generate nearly 23 times more traffic. Furthermore, the Cisco Report also anticipates that smart device traffic will grow at a CAGR of 53% from 2015 to 2020.
- *Increasing demand for mobile broadband.* The demand for bandwidth has grown rapidly with the proliferation of sophisticated Wi-Fi-enabled devices. With ever increasing smartphone penetration rates and a host of new devices such as tablets, netbooks, mobile internet devices, and increasingly more capable smartphones, the need for mobile broadband is at an all-time high and we believe is set to continue in demand and popularity. Overall mobile data traffic is expected to grow to 30.6 exabytes per month by 2020, an eightfold increase over 2015. Mobile data traffic is expected to grow at a CAGR of 53% from 2015 to 2020. According to the Cisco Report, 51% of total mobile data traffic in 2015 was offloaded onto the fixed network through Wi-Fi or femtocell in 2015. Globally, the total number of public Wi-Fi hotspots (including in-home Wi-Fi hotspots) is forecasted to grow sevenfold from 2015 to 2020, from 64.2 million in 2015 to 432.5 million by 2020. Total in-home Wi-Fi hotspots are forecasted to grow from 56.6 million in 2015 to 423.2 million by 2020. These trends are positive indicators for growth in Airgain's core Wi-Fi, and femtocell markets.

Recent Developments

Set forth below are selected preliminary, unaudited financial results for the six months ended June 30, 2016. These financial results are unaudited and should be considered preliminary and subject to change. These estimates have been prepared by and are the responsibility of management. Our independent registered public accounting firm has not audited or reviewed our preliminary financial data, and does not express an opinion or any other form of assurance with respect to the preliminary financial data. The below summary of financial data is not a comprehensive statement of our financial results for the six months ended June 30, 2016 or 2015 and our actual results may differ materially from these 2016 estimates due to the completion of our financial closing procedures, final adjustments and other developments that may arise between now and the time the financial results are finalized.

The following are the selected preliminary, unaudited financial results for the six months ended June 30, 2016, as well as a comparison to our unaudited financial results for the six months ended June 30, 2015:

We expect to report total sales of approximately \$18.3 million for the six months ended June 30, 2016, compared to total sales of \$11.8 million for the six months ended June 30, 2015.

We expect to report gross profit as a percentage of sales, for the six months ended June 30, 2016, to be approximately 44.8%, compared to 42.6% for the six months ended June 30, 2015.

We expect to report total operating expenses of approximately \$7.1 million for the six months ended June 30, 2016, compared to total operating expenses of \$5.5 million for the six months ended June 30, 2016.

We expect to report that we had approximately \$1.0 million of net income for the six months ended June 30, 2016, compared to a net loss of \$0.2 million for the six months ended June 30, 2015.

We expect to report that we had approximately \$5.3 million of cash and cash equivalents at June 30, 2016, compared to \$3.9 million at June 30, 2015.

We estimate that our Adjusted EBITDA (as defined herein) will be approximately \$1.6 million for the six months ended June 30, 2016, compared to \$0.1 million for the six months ended June 30, 2015.

The following table reflects the reconciliation of GAAP operating loss to non-GAAP Adjusted EBITDA:

	Six Months Ended	
	June 30, 2015	June 30, 2016
Reconciliation of Net Income (loss) to Adjusted EBITDA		
Net income (loss)	\$ (200,000)	\$ 1,000,000
Stock-based compensation expense	300,000	100,000
Depreciation and amortization	200,000	400,000
Interest and other expense (income)	(200,000)	100,000
Adjusted EBITDA	<u>\$ 100,000</u>	<u>\$ 1,600,000</u>

See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Results” for a reconciliation of GAAP operating loss to non-GAAP Adjusted EBITDA for the fiscal year ended December 31, 2015, and more information on our use and the limitations of Adjusted EBITDA as a measure of our financial performance.

These preliminary results of operations for the six months ended June 30, 2016 are not necessarily indicative of the results to be achieved in any future period. Additional information and disclosures would be required for a more complete understanding of our financial position and results of operations for the six months ended June 30, 2016.

Risks Related to our Business

Our ability to implement our business strategy is subject to numerous risks, as more fully described in the section entitled “Risk Factors” immediately following this prospectus summary. These risks include, among others:

- The market for our antenna products is developing and may not develop as we expect;
- Our operating results may fluctuate significantly, which makes our future operating results difficult to predict and could cause our operating results to fall below expectations or our guidance;
- Our products are subject to intense competition, and include competition from the customers to whom we sell, and competitive pressures from existing and new companies may harm our business, sales, growth rates and market share;
- Our future success depends on our ability to develop and successfully introduce new and enhanced products for the wireless market that meet the needs of our customers;
- Our business is characterized by short product development windows and short product lifecycles;
- Any delays in our sales cycles could result in customers canceling purchases of our products;
- We have a history of losses, including an accumulated deficit of \$46.8 million at March 31, 2016, and we may not be profitable in the future;
- We sell to customers who are extremely price conscious, and a few customers represent a significant portion of our sales. If we lose any of these customers, our sales could decrease significantly;
- We rely on a few contract manufacturers to produce and ship all of our products, a single or limited number of suppliers for some components of our products and channel partners to sell and support our products, and the failure to manage our relationships with these parties successfully could adversely affect our ability to market and sell our products;
- If we cannot protect our intellectual property rights, our competitive position could be harmed or we could incur significant expenses to enforce our rights; and
- Our international sales and operations subject us to additional risks that can adversely affect our operating results and financial condition.

Implications of Being an Emerging Growth Company

As a company with less than \$1.0 billion in revenue during our last fiscal year, we qualify as an “emerging growth company,” as defined in the JOBS Act. For as long as we are an emerging growth company, we may take advantage of certain exemptions from various reporting requirements that apply to other public companies that are not emerging growth companies, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act of 2002, as amended, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding advisory “say-on-pay” votes on executive compensation and shareholder advisory votes on golden parachute compensation.

Under the JOBS Act, we will remain an emerging growth company until the earliest of:

- the last day of the fiscal year during which we have total annual gross revenues of \$1 billion or more;
- the last day of the fiscal year following the fifth anniversary of the closing of this offering;
- the date on which we have, during the previous three-year period, issued more than \$1 billion in non-convertible debt; and

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- the date on which we are deemed to be a “large accelerated filer” under the Securities Exchange Act of 1934, or the Exchange Act (we will qualify as a large accelerated filer as of the first day of the first fiscal year after we have (i) more than \$700 million in outstanding common equity held by our non-affiliates and (ii) been public for at least 12 months; the value of our outstanding common equity will be measured each year on the last day of our second fiscal quarter).

We have elected to take advantage of certain of the reduced disclosure obligations in the registration statement of which this prospectus is a part and may elect to take advantage of other reduced reporting requirements in future filings. As a result, the information we provide to our stockholders may differ from information you might receive from other public reporting companies in which you hold equity interests.

We have elected to use the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended, for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date we (i) are no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in Section 7(a)(2)(B).

Corporate Information

We were originally organized in 1995 as a California corporation under the name AM Group. We were restructured in 2004 to focus exclusively on smart and embedded antenna technology, and we changed our name to Airgain, Inc. In connection with this offering, we plan to reincorporate in Delaware prior to closing of this offering. Our principal executive offices are located at 3611 Valley Centre Drive, Suite 150, San Diego, CA 92130, and our telephone number is (760) 579-0200. Our website address is www.airgain.com. Information contained in, or accessible through, our website is not a part of this prospectus, and the inclusion of our website address in this prospectus is an inactive textual reference only.

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The Offering

Common stock we are offering	shares
Common stock to be outstanding after this offering	shares
Over-allotment option	The underwriters have an option for a period of 30 days to purchase up to additional shares of our common stock to cover over-allotments.
Use of proceeds	We estimate that the net proceeds from this offering, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, will be approximately \$ million, or approximately \$ million if the underwriters exercise their over-allotment option to purchase additional shares from us in full, assuming an initial public offering price of \$ per share, which is the midpoint of the price range set forth on the cover page of this prospectus. We intend to use the net proceeds of this offering for working capital and general corporate purposes, including sales and marketing activities, product development, and capital expenditures. See "Use of Proceeds" for a more complete description of the intended use of proceeds from this offering.
Risk factors	You should read the "Risk Factors" section of this prospectus and the other information in this prospectus for a discussion of factors to consider carefully before deciding to invest in shares of our common stock.
Proposed NASDAQ symbol	"AIRG"

The number of shares of our common stock to be outstanding after this offering is based on 57,376,501 shares of our common stock outstanding as of March 31, 2016, after giving effect to (1) the automatic conversion of all outstanding shares of our preferred stock into 30,808,575 shares of our common stock prior to the closing of this offering, (2) the issuance of 18,637,918 shares of common stock in satisfaction of accumulated dividends as of March 31, 2016 and (3) the issuance of 1,271,507 shares of common stock to the holders of outstanding warrants, or the 2011 Warrants, as a result of the net exercise of the 2011 Warrants in May 2016, and excludes:

- 7,541,922 shares of common stock issuable upon the exercise of stock options outstanding as of March 31, 2016, at a weighted average exercise price of \$0.21 per share;
- shares of our common stock issuable to the holders of our Series A, D, E, F and G preferred stock in connection with this offering in satisfaction of dividends accruing from April 1, 2016 to the conversion in connection with the closing of this offering, assuming the closing occurs on , 2016;
- unallocated shares of common stock reserved for future issuance under our stock-based compensation plans, consisting of 3,213,138 shares of common stock reserved for future issuance under our 2013 Equity Incentive Plan as of March 31, 2016, which shares will be added to the shares to be reserved under our 2016 Incentive Award Plan, shares of common stock to be reserved for future issuance under our 2016 Incentive Award Plan, which will become effective in connection

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with this offering, and _____ shares of common stock to be reserved for future issuance under our 2016 Employee Stock Purchase Plan, which will become effective in connection with this offering, and shares that become available under our 2016 Incentive Award Plan and 2016 Employee Stock Purchase Plan pursuant to provisions thereof that automatically increase the share reserves under the plans each year, as more fully described in “Executive Compensation—Incentive Award Plans”; and

- _____ shares of common stock issuable upon the exercise of warrants issued to Northland Capital Markets in connection with this offering, at an exercise price per share equal to 150% of the public offering price per share.

Except as otherwise indicated, all information in this prospectus assumes the following:

- our reincorporation in Delaware prior to the closing of this offering;
- the approval and filing of an amendment to our existing articles of incorporation to eliminate the payout of accrued preferred stock dividends in connection with this offering;
- the filing of our Delaware certificate of incorporation and adoption of our amended and restated bylaws prior to the closing of this offering;
- the automatic conversion of all outstanding shares of our preferred stock into 30,808,575 shares of our common stock prior to the closing of this offering;
- a one-for-_____ reverse stock split of our common stock to be effected prior to the effectiveness of the registration statement of which this prospectus is a part;
- the issuance of 18,637,918 shares of common stock to the holders of our Series A, D, E, F and G preferred stock in connection with this offering in satisfaction of accumulated dividends as of March 31, 2016;
- the issuance of 1,271,507 shares of common stock to the holders of the 2011 Warrants, as a result of the net exercise of the 2011 Warrants in May 2016;
- no exercise of the outstanding options described above; and
- no exercise by the underwriters of their option to purchase additional shares of our common stock to cover over-allotments.

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SUMMARY FINANCIAL DATA

The following tables set forth a summary of our historical financial data as of, and for the periods ended on, the dates indicated. We have derived the statements of operations data for the years ended December 31, 2014 and 2015 from our audited financial statements included elsewhere in this prospectus. The statements of operations data for the three months ended March 31, 2015 and 2016 and the balance sheet data as of March 31, 2016 have been derived from our unaudited financial statements included elsewhere in this prospectus and have been prepared on the same basis as the audited financial statements. In the opinion of the management, the unaudited data reflects all adjustments, consisting of normal and recurring adjustments, necessary for a fair presentation of results as of and for these periods. You should read this data together with our financial statements and related notes included elsewhere in this prospectus and the sections in this prospectus entitled “Selected Financial Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Our historical results for any prior period are not indicative of our future results, and our results for the three months ended March 31, 2016 may not be indicative of our results for the year ending December 31, 2016.

	Year Ended		Three Months Ended	
	December 31, 2014	December 31, 2015	March 31, 2015	March 31, 2016
			(unaudited)	
Statements of Operations Data:				
Sales	\$ 25,509,572	\$ 27,793,073	\$ 5,732,733	\$ 8,512,305
Cost of goods sold	14,132,357	16,148,163	3,250,038	4,834,681
Gross Profit	11,377,215	11,644,910	2,482,695	3,677,624
Operating expenses:				
Research and development	3,311,337	4,257,400	966,097	1,321,686
Sales and marketing	3,516,095	4,035,591	962,601	1,241,104
General and administrative	2,972,257	3,453,288	836,611	998,040
IPO cost	726,926	229,332	—	—
Total operating expenses	10,526,615	11,975,611	2,765,309	3,560,830
Income (loss) from operations	850,600	(330,701)	(282,614)	116,794
Interest and other income	(2,743,871)	(60,981)	(233,625)	(26,359)
Income (loss) before income taxes	3,594,471	(269,720)	(48,989)	143,153
Provision for income taxes	6,171	622	8,511	4,000
Net income (loss)	\$ 3,588,300	\$ (270,342)	\$ (57,500)	\$ 139,153
Net income (loss) per share attributable to common stockholders(1)				
Basic	\$ 0.21	\$ (0.42)	\$ (0.11)	\$ (0.07)
Diluted	\$ (0.29)	\$ (0.43)	\$ (0.14)	\$ (0.08)
Weighted average shares outstanding used in computing net income (loss) per share attributable to common stockholders(1)				
Basic	5,558,059	6,515,926	6,254,633	6,658,501
Diluted	5,558,059	6,515,926	6,254,633	6,658,501
Pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited)(1)				
Weighted average shares outstanding used in computing pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited)(1)				

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- (1) See Note 1 to our financial statements included elsewhere in this prospectus for an explanation of the method used to calculate the historical and pro forma net loss per share, basic and diluted, and the number of shares used in the computation of the per share amounts.

Balance Sheet Data:	As of March 31, 2016		
	Actual	Pro Forma(1) (unaudited)	Pro Forma As Adjusted(2)
Cash and cash equivalents	\$ 4,037,358	\$	\$
Working capital	1,682,406		
Total assets	13,584,819		
Preferred stock warrant liability	630,670		
Long-term notes payable	2,333,333		
Preferred redeemable convertible stock	43,640,110		
Preferred convertible stock	5,968,549		
Additional paid-in capital	—		
Accumulated deficit	(46,840,905)		
Total stockholders' deficit	(39,777,981)		

- (1) Gives effect to (a) the automatic conversion of all outstanding shares of our preferred stock into 30,808,575 shares of our common stock prior to the closing of this offering, (b) the issuance of 18,637,918 shares of our common stock to the holders of Series A, D, E, F and G preferred stock in connection with this offering in satisfaction of accumulated dividends as of March 31, 2016, and (c) the issuance of 1,271,507 shares of common stock to the holders of the 2011 Warrants as a result of the net exercise of the 2011 Warrants in May 2016.
- (2) Gives further effect to our issuance and sale of _____ shares of common stock in this offering by us at the assumed initial public offering price of \$ _____ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Each \$1.00 increase (decrease) in the assumed initial public offering price of \$ _____ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) each of cash and cash equivalents, working capital, total assets, additional paid-in capital and total stockholders' deficit by \$ _____ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase (decrease) of 1.0 million shares in the number of shares offered by us would increase (decrease) each of cash and cash equivalents, working capital, total assets and total stockholders' deficit by approximately \$ _____ million, assuming that the assumed initial public offering price remains the same, and after deducting the estimated underwriting discounts and commissions and the estimated offering expenses payable by us. The pro forma information discussed above is illustrative only and will be adjusted based on the actual initial public offering price and other terms of our initial public offering determined at pricing.

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks described below, as well as the other information in this prospectus, including our financial statements and the related notes and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” before deciding whether to invest in our common stock. The occurrence of any of the events or developments described below could harm our business, financial condition, operating results, and growth prospects. In such an event, the market price of our common stock could decline, and you may lose all or part of your investment. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations.

Risks Related to Our Business and Industry

The market for our antenna products is developing and may not develop as we expect.

The market for our antenna products, and specifically the Wi-Fi market, is developing and may not develop as we expect. We believe our future success will depend in large part on the growth in the market for Wi-Fi devices that provide in-home wireless data connectivity for internet and video distribution. It is difficult to predict customer adoption and renewal rates, customer demand for our antennas, the size and growth rate of this market, the entry of competitive products, or the success of existing competitive products. Any expansion in our market depends on several factors, including the cost, performance, and perceived value associated with our antennas. If our antenna products do not achieve widespread adoption or there is a reduction in demand for antennas in our market caused by a lack of customer acceptance, technological challenges, competing technologies and products, decreases in corporate spending, weakening economic conditions, or otherwise, it could result in reduced customer orders, early order cancellations, or decreased sales, any of which would adversely affect our business, operating results and financial condition.

Our operating results may fluctuate significantly, which makes our future operating results difficult to predict and could cause our operating results to fall below expectations or our guidance.

Our quarterly and annual operating results have fluctuated in the past and may fluctuate significantly in the future, which makes it difficult for us to predict our future operating results. The timing and size of sales of our products are variable and difficult to predict and can result in fluctuations in our net sales from period to period. In addition, our budgeted expense levels depend in part on our expectations of future sales. Because any substantial adjustment to expenses to account for lower levels of sales is difficult and takes time, we may not be able to reduce our costs sufficiently to compensate for an unexpected shortfall in net sales, and even a small shortfall in net sales could disproportionately and adversely affect our operating margin and operating results for a given quarter.

Our operating results may also fluctuate due to a variety of other factors, many of which are outside of our control, including the changing and volatile U.S., European, Asian and global economic environments, and any of which may cause our stock price to fluctuate. Besides the other risks in this “Risk Factors” section, factors that may affect our operating results include:

- fluctuations in demand for our products and services;
- the inherent complexity, length and associated unpredictability of product development windows and product lifecycles;
- changes in customers’ budgets for technology purchases and delays in their purchasing cycles;
- changing market conditions;
- any significant changes in the competitive dynamics of our markets, including new entrants, or further consolidation;
- the timing of product releases or upgrades by us or by our competitors; and

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- our ability to develop, introduce and ship in a timely manner new products and product enhancements and anticipate future market demands that meet our customers' requirements.

The cumulative effects of these factors could result in large fluctuations and unpredictability in our quarterly and annual operating results. As a result, comparing our operating results on a period-to-period basis may not be meaningful. You should not rely on our past results as an indication of future performance.

Our products are subject to intense competition, including competition from the customers to whom we sell.

Antenna solutions is an established technical field with low intellectual property and technological barriers to entry. Antenna competition exists globally for all areas of our business and product lines. The markets in which we compete are intensely competitive, and we expect competition to increase in the future from established competitors and new market entrants. The markets are influenced by, among others, brand awareness and reputation, price, strength and scale of sales and marketing efforts, professional services and customer support, product features, reliability and performance, scalability of products, and breadth of product offerings. Due to the proprietary nature of our products, competition occurs primarily at the design stage. As a result, a design win by our competitors or by us typically limits further competition regarding that design. This competition could result in increased pricing pressure, reduced profit margins, increased sales and marketing expenses and failure to increase, or the loss of, market share, any of which would likely seriously harm our business, operating results or financial condition. From a cost and control perspective, our products generally cost more than our competitors' products and add a degree of complexity to an OEM and ODM product planning and manufacturing process. If our ability to design antenna solutions is deemed to be on par or of lesser value than competing solutions, we could lose our customers and prospects.

New entrants and the introduction of other distribution models in our markets may harm our competitive position.

The markets for development, distribution, and sale of our products are rapidly evolving. New entrants seeking to gain market share by introducing new technology and new products may make it more difficult for us to sell our products, and could create increased pricing pressure, reduced profit margins, increased sales and marketing expenses, or the loss of market share or expected market share, any of which may significantly harm our business, operating results and financial condition.

Historically, large, integrated telecommunications equipment suppliers controlled access to the wireless broadband infrastructure equipment and network management software that could be used to extend the geographic reach of wireless internet networks. However, in recent years, network operators and service providers have been able to purchase wireless broadband infrastructure equipment and purchase and implement network management applications from distributors, resellers, and OEMs and ODMs. Increased competition from providers of wireless broadband equipment may result in fewer vendors providing complementary equipment, which could harm our business and sales. Broadband equipment providers or system integrators may also offer wireless broadband infrastructure equipment for free or as part of a bundled offering, which could force us to reduce our prices or change our selling model to remain competitive. If there is a major shift in the market such that network operators and service providers begin to use closed network solutions that only operate with other equipment from the same vendor, we could experience a significant decline in sales because our products would not be interoperable with these proprietary standards.

Our future success depends on our ability to develop and successfully introduce new and enhanced products for the wireless market that meet the needs of our customers.

Our sales depend on our ability to anticipate our existing and prospective customers' needs and develop products that address those needs. Our future success will depend on our ability to introduce new products for the wireless market, anticipate improvements and enhancements in wireless technology and wireless standards, and

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to develop products that are competitive in the rapidly changing wireless industry. Introduction of new products and product enhancements will require coordination of our efforts with those of our customers, suppliers, and manufacturers to rapidly achieve volume production. If we fail to coordinate these efforts, develop product enhancements or introduce new products that meet the needs of our customers as scheduled, our operating results will be materially and adversely affected and our business and prospects will be harmed. We cannot assure that product introductions will meet the anticipated release schedules or that our wireless products will be competitive in the market. Furthermore, given the emerging nature of the wireless market, there can be no assurance our products and technology will not be rendered obsolete by alternative or competing technologies.

Our business is characterized by short product development windows and short product lifecycles.

Our solutions are purchased and integrated by customers in the electronics industry. In many cases, the products that include our solutions are subject to short product development windows and short product lifecycles. In the case of the short product development window, we may be pressured to provide solutions that are the lowest in cost to be accepted. Customer pressure could force us to reduce our price to win designs with short development windows. Regarding short product lifecycles, we might provide up-front design and engineering work, but ultimately lose the design to a competitor, or even if we win the design, such design could be extremely short-lived due to our customers' inability to sell the product in significant volume. Our up-front costs associated with a design can be significant, and if the sales volumes are inadequate due to lack of acceptance and/or short lifecycle, our financial performance will be impaired.

Any delays in our sales cycles could result in customers canceling purchases of our products.

Sales cycles for some of our products can be lengthy, often lasting several months to a year or longer. In addition, it can take additional time before a customer commences volume production of equipment that incorporates our products. Sales cycles can be lengthy for several reasons, including:

- our OEM customers and carriers usually complete a lengthy technical evaluation of our products, over which we have no control, before placing a purchase order;
- the commercial introduction of our products by OEM customers and carriers is typically limited during the initial release to evaluate product performance; and
- the development and commercial introduction of products incorporating new technologies frequently are delayed.

A significant portion of our operating expense is relatively fixed and is based in large part on our forecasts of volume and timing of orders. The lengthy sales cycles make forecasting the volume and timing of product orders difficult. In addition, the delays inherent in lengthy sales cycles raise additional risks of customer decisions to cancel or change product phases. If customer cancellations or product changes were to occur, this could result in the loss of anticipated sales without sufficient time for us to reduce our operating expenses. In addition, although we currently do not maintain significant inventories, we may in the future establish significant inventory levels to meet forecasted future demand. If the forecasted demand does not materialize into purchase orders for these products, we may be required to write off our inventory balances or reduce the value of our inventory, based on a reduced sales price. A write off of the inventory, or a reduction in the inventory value due to a sales price reduction, could have an adverse effect on our financial condition and operating results.

We have a history of losses, and we may not be profitable in the future.

Before 2013, we had incurred net losses in each year since our inception. As a result, we had an accumulated deficit of \$46.8 million at March 31, 2016. Because the market for our antenna products is rapidly evolving, it is difficult for us to predict our operating results. We expect our operating expenses to increase over the next several years as we hire additional personnel, particularly in engineering, sales, and marketing, and

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continue to develop new antenna products to address new and evolving markets. In addition, as we grow and as we become a newly public company, we will incur additional significant legal, accounting, and other expenses we did not incur as a private company. If our sales do not increase to offset these increases in our operating expenses, we may not be profitable in future periods. Our historical sales growth has been inconsistent and should not be considered indicative of our future performance. Any failure to sustain or increase our profitability consistently could cause the value of our common stock to materially decline.

A limited number of customers and devices represent a significant portion of our sales. If we were to lose any of these customers or devices, our sales could decrease significantly.

In 2015, our top three customers accounted for approximately 28%, 15% and 12% of sales, respectively and, in the three months ended March 31, 2016, our top three customers accounted for approximately 34%, 15% and 7% of sales, respectively. Although our top customers that pay for our products are often ODMs and distributors, it is primarily the OEMs, carrier customers and retail-focused end-customers that drive the use of our antenna solutions and the purchase by the ODMs and distributors of our antenna solutions. In addition, a few end customer devices which incorporate our antenna products comprise a significant amount of our sales, and the discontinuation or modification of such devices may materially and adversely affect our sales and results of operations. For example, in August 2014, a product which accounted for \$3.2 million of our sales in the six months ended June 30, 2014 reached the end of its lifecycle and was discontinued. Any significant loss of, or a significant reduction in purchases by, these other significant customers or customers that drive the use of our antenna solutions or a modification or discontinuation of a device which constitutes a significant portion of sales could have an adverse effect on our financial condition and operating results.

We sell to customers who are extremely price conscious.

Our customers compete in segments of the electronics market. The electronics market is characterized by intense competition as companies strive to come to market with innovative designs that attract customers based upon design, performance, cost, ease of use, and convenience. Product lifecycles can be extremely short as companies try to gain advantage over their competitors. Because of the high design and engineering costs, companies that are customers or prospects for antenna solutions are extremely cost conscious. As a result, our customers and prospects demand price cuts in established products, and negotiate aggressively for lower pricing on new products. Because of the intense competition in the antenna solution market, we encounter situations that lead to difficult price negotiations potentially resulting in lower margins than forecast.

We rely on a limited number of contract manufacturers to produce and ship all of our products, and the failure to manage our relationships with these parties successfully could adversely affect our ability to market and sell our products.

We rely on two contract manufacturers, which are both located in China, to manufacture, control quality of, and ship our products. We do not have long-term contracts with these manufacturers that commit them to manufacture products for us. Any significant change in our relationship with these manufacturers could have a material adverse effect on our business, operating results, and financial condition. We make substantially all of our purchases from our contract manufacturers on a purchase order basis. Our contract manufacturers are not required to manufacture our products for any specific period or in any specific quantity. We expect that it would take approximately six to nine months to transition manufacturing, quality assurance, and shipping services to new providers. Relying on contract manufacturers for manufacturing, quality assurance, and shipping also presents significant risks to us, including the inability of our contract manufacturers to:

- qualify appropriate component suppliers;
- manage capacity during periods of high demand;
- meet delivery schedules;

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- assure the quality of our products;
- ensure adequate supplies of materials;
- protect our intellectual property; and
- deliver finished products at agreed-upon prices.

We may experience delays in obtaining product from manufacturers and may not be a high priority for our manufacturers.

The ability and willingness of our contract manufacturers to perform is largely outside of our control. We believe that our orders may not represent a material portion of our contract manufacturers' total orders and, as a result, fulfilling our orders may not be a priority if our contract manufacturers are constrained in their abilities or resources to fulfill all of their customer obligations in a timely manner. If any of our contract manufacturers suffers an interruption in its business, experiences delays, disruptions, or quality control problems in its manufacturing operations or we have to change or add additional contract manufacturers, our ability to ship products to our customers would be delayed and our sales could become volatile and our cost of sales may increase.

Our contract manufacturers purchase some components, subassemblies and products from a single or limited number of suppliers. The loss of any of these suppliers may substantially disrupt our ability to obtain orders and fulfill sales as we design in and qualify new components.

We rely on third-party components and technology to build and operate our products, and we rely on our contract manufacturers to obtain the components, subassemblies, and products necessary for the manufacture of our products. Shortages in components we use in our products are possible, and our ability to predict the availability of such components is limited. If shortages occur in the future, as they have in the past, our business, operating results and financial condition would be materially adversely affected. Unpredictable price increases of such components due to market demand may occur. While components and supplies are generally available from a variety of sources, we and our contract manufacturers depend on a single or limited number of suppliers for several components for our products. If our suppliers of these components or technology were to enter into exclusive relationships with other providers of wireless networking equipment or were to discontinue providing such components and technology to us and we were unable to replace them cost effectively, or at all, our ability to provide our products would be impaired. Additionally, poor quality in any of the single or limited sourced components in our products could result in lost sales or lost sales opportunities. We and our contract manufacturers generally rely on purchase orders rather than long-term contracts with these suppliers. As a result, even if available, we and our contract manufacturers may not be able to secure sufficient components at reasonable prices or of acceptable quality to build our products in a timely manner. Therefore, we may be unable to meet customer demand for our products, which would have a material adverse effect on our business, operating results, and financial condition.

We rely significantly on channel partners to sell and support our products, and the failure of this channel to be effective could materially reduce our sales.

Our indirect channel partners, which include outside sales representatives, accounted for 19% of our sales in 2015. We believe that establishing and maintaining successful relationships with these channel partners is, and will continue to be, important to our financial success. Recruiting and retaining qualified channel partners and training them in our technology and product offerings require significant time and resources. To develop and expand our channel, we must continue to scale and improve our processes and procedures that support our channel partners, including investment in systems and training.

Existing and future channel partners will only work with us if we are able to provide them with competitive products on terms that are commercially reasonable to them. If we fail to maintain the quality of our products or

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to update and enhance them, existing and future channel partners may elect to work instead with one or more of our competitors. In addition, the terms of our arrangements with our channel partners must be commercially reasonable for both parties. If we are unable to reach agreements that are beneficial to both parties, then our channel partner relationships will not succeed.

We have no minimum purchase commitments with any of our channel partners, and our contracts with channel partners do not prohibit them from offering products or services that compete with ours, including products they currently offer or may develop in the future and incorporate into their own systems. Some of our competitors may have stronger relationships with our channel partners than we do and we have limited control, if any, as to whether those partners use our products, rather than our competitors' products, or whether they devote resources to market and support our competitors' products, rather than our offerings.

The reduction in or loss of sales by these channel partners could materially reduce our sales. If we fail to maintain relationships with our channel partners, fail to develop new relationships with other channel partners in new markets, fail to manage, train or incentivize existing channel partners effectively, fail to provide channel partners with competitive products on terms acceptable to them, or if these channel partners are not successful in their sales efforts, our sales may decrease and our operating results could suffer.

Defects in our products or poor design and engineering services could result in lost sales and subject us to substantial liability.

Our antenna solutions are a critical element in determining the operating performance of our customers' products. If our antenna solutions perform poorly, whether due to design, engineering, placement or other reasons, we could lose sales. In certain cases, if our antenna solution is found to be the component that leads to failure or a failure to meet the performance specifications of our customer, we could be required to pay monetary damages to our customer. Real or perceived defects or errors in our antenna solutions could result in claims by channel partners and customers for losses they sustain. If channel partners or customers make these types of claims, we may be required, or may choose, for customer relations or other reasons, to expend additional resources to help correct the problem, including warranty and repair costs, process management costs and costs associated with remanufacturing our inventory. Liability provisions in our standard terms and conditions of sale may not be enforceable under some circumstances or may not fully or effectively protect us from claims and related liabilities and costs. In addition, regardless of the party at fault, errors of these kinds divert the attention of our engineering personnel from our product development efforts, damage our reputation and the reputation of our products, cause significant customer relations problems and can result in product liability claims. We maintain insurance to protect against certain types of claims associated with the use of our products, but our insurance coverage may not adequately cover any such claims. In addition, even claims that ultimately are unsuccessful could result in expenditures of funds in connection with litigation and divert management's time and other resources. We also may incur costs and expenses relating to a recall of one or more of our products. The process of identifying recalled products that have been widely distributed may be lengthy and require significant resources, and we may incur significant replacement costs, contract damage claims from our customers and significant harm to our reputation. The occurrence of these problems could result in the delay or loss of market acceptance of our products and could adversely affect our business, operating results and financial condition.

The loss of key personnel or an inability to attract, retain and motivate qualified personnel may impair our ability to expand our business.

Our success depends upon the continued service and performance of our senior management team and key technical, marketing and production personnel, including Charles Myers, who is our President and Chief Executive Officer. The replacement of any members of our senior management team or other key employees or consultants likely would involve significant time and costs and may significantly delay or prevent the achievement of our business objectives.

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Our future success also depends, in part, on our ability to continue to attract, integrate and retain highly skilled personnel. Competition for highly skilled personnel is frequently intense. Any difficulties in obtaining or retaining human resource competencies we need to achieve our business objectives may have an adverse effect on our performance.

We are subject to the risk that third-party consultants will not perform their tasks effectively and that we will be unsuccessful in operating our business as a result.

We rely on third parties, such as a sales consultants and engineering contractors, for a portion of the design and sales and marketing of our products. The engineering contractors typically work directly with our design team but are employed by our contract manufacturers in China. We rely on these third parties in addition to our own employees to perform the daily tasks necessary to operate our business in these areas and cannot ensure that third-party consultants will be able to complete their work for us in a timely manner. Accordingly, our reliance on third parties exposes us to the risk that our business will be unsuccessful if they do not design and sell our product as expected.

Our acquisitions expose us to risks that could adversely affect our business and adversely affect our operating results, financial condition, and cash flows.

As part of our strategy to develop and identify new products, services and technologies, we have made, and may continue to make, acquisitions of select assets and businesses. For example, we acquired certain North American assets from Skycross, Inc. in December 2015. When pursuing acquisitions, we may not be able to find suitable acquisition candidates, and we may not be able to complete such acquisitions on favorable terms, if at all. Any acquisitions we complete, may not ultimately strengthen our competitive position or achieve our goals, and could be viewed negatively by our end-customers, investors and financial analysts. Acquisitions involve many risks. An acquisition may negatively affect our operating results, financial condition or cash flows because it may require us to incur charges or assume substantial debt or other liabilities, may cause adverse tax consequences or unfavorable accounting treatment, may expose us to claims and disputes by third parties, including intellectual property claims and disputes, or may not generate sufficient financial return to offset additional costs and expenses related to the acquisition.

Litigation or legal proceedings could expose us to significant liabilities and damage our reputation.

We may become party to litigation claims and legal proceedings. Litigation involves significant risks, uncertainties and costs, including distraction of management attention away from our current business operations. We evaluate litigation claims and legal proceedings to assess the likelihood of unfavorable outcomes and to estimate, if possible, the amount of potential losses. We caution you that actual outcomes or losses may differ materially from those envisioned by our current estimates. Our policies and procedures require strict compliance by our employees and agents with all United States and local laws and regulations applicable to our business operations, including those prohibiting improper payments to government officials. Nonetheless, there can be no assurance that our policies and procedures will always ensure full compliance by our employees and agents with all applicable legal requirements. Improper conduct by our employees or agents could damage our reputation in the United States and internationally or lead to litigation or legal proceedings that could result in civil or criminal penalties, including substantial monetary fines, as well as disgorgement of profits.

Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited.

Because we have a history of losses before 2013, we have paid non-substantial amounts of federal and state taxes. Current federal and state tax laws include substantial restrictions on the annual utilization of net operating loss and tax credit carryforwards in the event of an ownership change. For example, under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, if a corporation undergoes an “ownership change” (generally defined as a cumulative change in equity ownership by “5-percent shareholders” of greater than 50 percentage

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points (by value) over a three-year period), the corporation's ability to use its pre-ownership change net operating loss carryforwards and certain other pre-ownership change tax attributes (such as research tax credits) to offset its post-ownership income and taxes, as applicable, may be limited for federal income tax purposes. In May 2014, we completed our analysis to determine whether prior ownership changes have resulted in limitations on our ability to utilize these net operating losses and tax credit carryforwards. We determined that as of December 31, 2015, we had \$21.8 million in available unlimited federal net operating loss carryforwards which will begin to expire in 2022, and \$18.2 million of unlimited California net loss carryforwards which began expiring in 2015. In addition, we had federal research and development tax credit carryforwards of approximately \$0.8 million at December 31, 2015, which if unutilized will expire between 2026 and 2034. We also had state research and development tax credit carryforwards of approximately \$0.6 million at December 31, 2015, which may be available to reduce future state taxes if any, over an indefinite period. The net loss carryforwards and these tax credits are subject to examination by state and federal taxing authorities and may need to be revised as a result of any exam. As of December 31, 2015, there were \$1.4 million in total unrecognized tax benefits. If recognized, none of these unrecognized tax benefits would result in a tax benefit since they would be fully offset with a valuation allowance. If tax rules and regulations change, and we are not able to apply these carryforwards, we may be forced to pay taxes at a rate and time prior to what is anticipated today.

Our election to not opt out of the extended accounting transition period under the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, may make our financial statements difficult to compare to other companies.

Under the JOBS Act, as an emerging growth company, we can elect to opt out of the extended transition period for any new or revised accounting standards that may be issued by the Public Company Accounting Oversight Board or the U.S. Securities and Exchange Commission, or the SEC. We have elected not to opt out of such extended transition period. This means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, are permitted to use any extended transition period for adoption that is provided in the new or revised accounting standard having different application dates for public and private companies. This may make the comparison of our financial statements with any other public company, which is not either an emerging growth company nor an emerging growth company which has opted out of using the extended transition period, difficult or impossible as possible different or revised standards may be used.

If we are unable to implement and maintain effective internal control over financial reporting in the future, the accuracy and timeliness of our financial reporting may be adversely affected. In addition, because of our status as an emerging growth company, you will not be able to depend on any attestation from our independent registered public accounting firm as to our internal control over financial reporting for the foreseeable future.

When we become a reporting company, the Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and controls over financial reporting. In particular, as a public company, we will be required to perform system and process evaluations and testing of our internal control over financial reporting to allow management to report on the effectiveness of our internal controls over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act. We will be required to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting for the first fiscal year beginning after the effective date of this offering. However, our independent registered public accounting firm will not be required to attest to the effectiveness of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act until the later of the year following our first annual report required to be filed with the SEC or the date we are no longer an "emerging growth company" as defined in the JOBS Act. Accordingly, you will not be able to depend on any attestation concerning our internal control over financial reporting from our independent registered public accounting firm for the foreseeable future.

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Compliance with environmental matters and worker health and safety laws could be costly, and noncompliance with these laws could have a material adverse effect on our operating results, expenses and financial condition.

Some of our operations use substances regulated under various federal, state, local and international laws governing the environment and worker health and safety, including those governing the discharge of pollutants into the ground, air and water, the management and disposal of hazardous substances and wastes, and the cleanup of contaminated sites. Some of our products are subject to various federal, state, local and international laws governing chemical substances in electronic products. We could be subject to increased costs, fines, civil or criminal sanctions, third-party property damage or personal injury claims if we violate or become liable under environmental and/or worker health and safety laws.

Our business is subject to the risks of earthquakes, fire, floods and other natural catastrophic events.

Our corporate headquarters are located in Southern California, and our two contract manufacturers are located in eastern Asia, both regions known for seismic activity. A significant natural disaster, such as an earthquake, a fire or a flood, occurring near our headquarters, or near the facilities of our contract manufacturers, could have a material adverse impact on our business, operating results and financial condition.

The terms of our amended and restated loan and security agreement place restrictions on our operating and financial flexibility. If we raise additional capital through debt financing, the terms of any new debt could further restrict our ability to operate our business.

We have a \$3.0 million revolving credit facility, a \$750,000 growth capital term loan and an additional \$4.0 million term loan under our amended and restated loan and security agreement with Silicon Valley Bank. These loans are secured by a lien covering substantially all of our properties, rights and assets, excluding intellectual property. As of March 31, 2016, the revolving credit facility was undrawn, and the outstanding principal balance of the growth capital term loan and the additional term loan was \$3.9 million. The loan and security agreement contains customary affirmative and negative covenants and events of default applicable to us and any subsidiaries, if any. The affirmative covenants include, among others, covenants requiring us (and us to cause our subsidiaries) to maintain our legal existence and governmental approvals, deliver certain financial reports, maintain insurance coverage, keep inventory, if any, in good and marketable condition and protect material intellectual property. The negative covenants include, among others, restrictions on us and our subsidiaries transferring collateral, incurring additional indebtedness, engaging in mergers or acquisitions, paying dividends or making other distributions, making investments, creating liens, selling assets and making any payment on subordinated debt, in each case subject to certain exceptions. If we default under the facility, the lender may accelerate all of our repayment obligations and take control of our pledged assets, potentially requiring us to renegotiate our agreement on terms less favorable to us or to immediately cease operations. Further, if we are liquidated, the lender's right to repayment would be senior to the rights of the holders of our common stock to receive any proceeds from the liquidation. The lender could declare a default upon the occurrence of any event that it interprets as a material adverse effect as defined under the credit facility, thereby requiring us to repay the loan immediately or to attempt to reverse the declaration of default through negotiation or litigation. Any declaration by the lender of an event of default could significantly harm our business and prospects and could cause the price of our common stock to decline. If we raise any additional debt financing, the terms of such additional debt could further restrict our operating and financial flexibility.

If we are unable to manage our growth and expand our operations successfully, our business and operating results will be harmed and our reputation may be damaged.

We have expanded our operations significantly since inception and anticipate that further significant expansion will be required to achieve our business objectives. The growth and expansion of our business and product offerings places a continuous and significant strain on our management, operational and financial

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resources. Any such future growth would also add complexity to and require effective coordination throughout our organization. To date, we have used the services of third-parties to perform tasks including design and sales and marketing. Our growth strategy may entail expanding our group of contractors or consultants to implement these tasks going forward. Because we rely on consultants, effectively outsourcing key functions of our business, we will need to be able to manage these consultants to ensure that they successfully carry out their contractual obligations and meet expected deadlines. However, if we are unable to effectively manage our outsourced activities or if the quality of the services provided by consultants is compromised for any reason, our ability to provide quality products in a timely manner could be harmed, which may have a material adverse effect on our business operating results and financial condition.

To manage any future growth effectively, we must continue to improve and expand our information technology and financial infrastructure, our operating and administrative systems and controls, and our ability to manage headcount, capital and processes in an efficient manner. We may not be able to successfully implement improvements to these systems and processes in a timely or efficient manner, which could result in additional operating inefficiencies and could cause our costs to increase more than planned. If we do increase our operating expenses in anticipation of the growth of our business and this growth does not meet our expectations, our operating results may be negatively impacted. If we are unable to manage future expansion, our ability to provide high quality products and services could be harmed, which could damage our reputation and brand and may have a material adverse effect on our business, operating results and financial condition.

Our business, operating results and growth rates may be adversely affected by current or future unfavorable economic and market conditions.

Our business depends on the economic health and general willingness of our current and prospective end-customers to make those capital commitments necessary to purchase our products. If the conditions in the U.S. and global economies remain uncertain or continue to be volatile, or if they deteriorate, our business, operating results and financial condition may be materially adversely affected. Economic weakness, end-customer financial difficulties, limited availability of credit and constrained capital spending have at times in the past resulted, and may in the future result, in challenging and delayed sales cycles, slower adoption of new technologies and increased price competition, and could negatively affect our ability to forecast future periods, which could result in an inability to satisfy demand for our products and a loss of market share.

In addition, if interest rates rise or foreign exchange rates weaken for our international customers, overall demand for our products and services could decline and related capital spending may be reduced. Furthermore, any increase in worldwide commodity prices may result in higher component prices for us and increased shipping costs, both of which may negatively affect our business, operating results and financial condition.

Our business and prospects depend on the strength of our market efforts and our brand. Failure to maintain and enhance our brand would harm our ability to maintain and expand our base of customers.

Maintaining and enhancing our brand is important to maintaining and expanding our base of customers who purchase our products. This will depend largely on our ability to continue to provide high-quality solutions, and we may not be able to do so effectively. While we may engage in a broader marketing campaign to further promote our brand, this effort may not succeed. Our efforts in developing our brand may be affected by the marketing efforts of our competitors. If we are unable to cost-effectively maintain and increase awareness of our brand, our business, results of operations and financial condition could be harmed. Our brand may be impaired by other factors, including product malfunctions. Any inability to effectively police our trademark rights against unauthorized uses by third parties could adversely impact the value of our trademarks and our brand recognition. If we fail to maintain and enhance our brand, or if we need to incur unanticipated expenses to establish our brand in new markets, our operating results would be negatively affected from reduced sales and increased marketing expenses.

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Risks Relating to Intellectual Property

If we are unable to protect our intellectual property rights, our competitive position could be harmed or we could be required to incur significant expenses to enforce our rights.

Our ability to compete effectively is dependent in part upon our ability to protect our proprietary technology. We rely on patents, trademarks, trade secret laws, confidentiality procedures and licensing arrangements to protect our intellectual property rights. There can be no assurance these protections will be available in all cases or will be adequate to prevent our competitors from copying, reverse engineering or otherwise obtaining and using our technology, proprietary rights or products. For example, the laws of certain countries in which our products are manufactured or licensed do not protect our proprietary rights to the same extent as the laws of the United States. In addition, third parties may seek to challenge, invalidate or circumvent our patents, trademarks, copyrights and trade secrets, or applications for any of the foregoing. There can be no assurance that our competitors will not independently develop technologies that are substantially equivalent or superior to our technology or design around our proprietary rights. In each case, our ability to compete could be significantly impaired. To prevent substantial unauthorized use of our intellectual property rights, it may be necessary to prosecute actions for infringement and/or misappropriation of our proprietary rights against third parties. Any such action could result in significant costs and diversion of our resources and management's attention, and there can be no assurance we will be successful in such action. Furthermore, many of our current and potential competitors have the ability to dedicate substantially greater resources to enforce their intellectual property rights than we do. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing upon or misappropriating our intellectual property.

Claims by others that we infringe their intellectual property rights could harm our business

Our industry is characterized by vigorous protection and pursuit of intellectual property rights, which has resulted in protracted and expensive litigation for many companies. Third parties may in the future assert claims of infringement of intellectual property rights against us or against our customers or channel partners for which we may be liable. As the number of products and competitors in our market increases and overlaps occur, infringement claims may increase.

Intellectual property claims against us, and any resulting lawsuits, may result in our incurring significant expenses and could subject us to significant liability for damages and invalidate what we currently believe are our proprietary rights. Our involvement in any patent dispute or other intellectual property dispute or action to protect trade secrets and know-how could have a material adverse effect on our business. Adverse determinations in any litigation could subject us to significant liabilities to third parties, require us to seek licenses from third parties and prevent us from manufacturing and selling our products. Any of these situations could have a material adverse effect on our business.

These claims, regardless of their merits or outcome, would likely be time consuming and expensive to resolve and could divert management's time and attention.

We are generally obligated to indemnify our channel partners and end-customers for certain expenses and liabilities resulting from intellectual property infringement claims regarding our products, which could force us to incur substantial costs.

We have agreed, and expect to continue to agree, to indemnify our channel partners and end-customers for certain intellectual property infringement claims regarding our products. As a result, in the case of infringement claims against these channel partners and end-customers, we could be required to indemnify them for losses resulting from such claims or to refund amounts they have paid to us. Our channel partners and other end-customers in the future may seek indemnification from us in connection with infringement claims brought against them. We will evaluate each such request on a case-by-case basis and we may not succeed in refuting all such claims. If a channel partner or end-customer elects to invest resources in enforcing a claim for

indemnification against us, we could incur significant costs disputing it. If we do not succeed in disputing it, we could face substantial liability.

Risks Related to Our International Operations

Our international sales and operations subject us to additional risks that can adversely affect our operating results and financial condition.

The substantial majority of our sales are to ODMs and distributors based in China. Additionally, for the year ended December 31, 2015, approximately 36% of the end-customers of our products, based on sales, are in North America and approximately 64% are outside of North America, and we are continuing to expand our international operations as part of our growth strategy. We have limited sales personnel and sales and support operations in the United States, Asia, and Europe. Our ability to convince customers to expand their use of our antenna products is directly correlated to our direct engagement with our end-customers and our channel partners. To the extent we are unable to engage with non-U.S. customers effectively with our limited sales force capacity, we may be unable to grow sales to existing customers.

Our international operations subject us to a variety of risks and challenges, including: increased management, travel, infrastructure and legal compliance costs associated with having multiple international operations; reliance on channel partners; increased financial accounting and reporting burdens and complexities; compliance with foreign laws and regulations; compliance with U.S. laws and regulations for foreign operations; and reduced protection for intellectual property rights in some countries and practical difficulties of enforcing rights abroad. Any of these risks could adversely affect our international operations, reduce our international sales or increase our operating costs, adversely affecting our business, operating results and financial condition and growth prospects.

We are subject to governmental export and import controls that could impair our ability to compete in international markets due to licensing requirements and subject us to liability if we are not in compliance with applicable laws.

Our products are subject to export control and import laws and regulations, including the U.S. Export Administration Regulations, U.S. Customs regulations and various economic and trade sanctions regulations administered by the U.S. Treasury Department's Office of Foreign Assets Controls. Exports of our products must be made in compliance with these laws and regulations. If we violate these laws and regulations, we and certain of our employees could be subject to substantial civil or criminal penalties, including the possible loss of export or import privileges, fines, which may be imposed on us and responsible employees or managers, and, in extreme cases, the incarceration of responsible employees or managers. In addition, if our channel partners, agents or consultants fail to obtain appropriate import, export or re-export licenses or authorizations, we may also be adversely affected through reputational harm and penalties. Obtaining the necessary authorizations, including any required license, for a particular sale may be time-consuming, is not guaranteed and may result in the delay or loss of sales opportunities. Changes in our products or changes in applicable export or import laws and regulations may also create delays in the introduction and sale of our products in international markets, prevent our end-customers with international operations from deploying our products or, in some cases, prevent the export or import of our products to certain countries, governments or persons altogether. Any change in export or import laws and regulations, shift in the enforcement or scope of existing laws and regulations, or change in the countries, governments, persons or technologies targeted by such laws and regulations, could also result in decreased use of our products, or in our decreased ability to export or sell our products to existing or potential end-customers with international operations. Any decreased use of our products or limitation on our ability to export or sell our products would likely adversely affect our business, financial condition and operating results.

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New regulations or standards or changes in existing regulations or standards in the United States or internationally related to our end-customer's products may result in unanticipated costs or liabilities, which could have a material adverse effect on our business, operating results and future sales, and could place additional burdens on the operations of our business.

Our end-customers' products are subject to governmental regulations in many jurisdictions. To achieve and maintain market acceptance, our end-customers' products must continue to comply with these regulations and many industry standards. In the United States, our end-customers' products must comply with various regulations defined by the Federal Communications Commission, Underwriters Laboratories and others. Our end-customers must also comply with similar international regulations.

As these regulations and standards evolve, and if new regulations or standards are implemented, our end-customers may have to modify their products. The failure of their products to comply, or delays in compliance, with the existing and evolving industry regulations and standards could prevent or delay introduction of our antennas used in their products, which could harm our business. End-customer uncertainty regarding future policies may also affect demand for communications products, including our products. Moreover, channel partners or customers may require us, or we may otherwise deem it necessary or advisable, to alter our products to address actual or anticipated changes in the regulatory environment. Our inability to alter our products to address these requirements and any regulatory changes may have a material adverse effect on our business, operating results and financial condition.

We could be adversely affected by violations of the U.S. Foreign Corrupt Practices Act and similar worldwide anti-bribery laws.

We operate in several foreign countries. The U.S. Foreign Corrupt Practices Act and similar anti-bribery laws generally prohibit companies and their intermediaries from making improper payments to foreign government officials for the purpose of obtaining or retaining business. Practices in the local business communities of many countries outside the United States have a level of government corruption that is greater than that found in the developed world. Our policies mandate compliance with these anti-bribery laws and we have established policies and procedures designed to monitor compliance with these anti-bribery law requirements; however, we cannot assure that our policies and procedures will protect us from potential reckless or criminal acts committed by individual employees or agents. If we are found to be liable for anti-bribery law violations, we could suffer from criminal or civil penalties or other sanctions that could have a material adverse effect on our business.

Risks Related to Our Common Stock and this Offering

The price of our common stock may be volatile, and you could lose all or part of your investment.

The trading price of our common stock following this offering may fluctuate substantially and may be higher or lower than the initial public offering price. This may be especially true for companies with a small public float. The trading price of our common stock following this offering will depend on several factors, including those described in this "Risk Factors" section, many of which are beyond our control and may not be related to our operating performance. These fluctuations could cause you to lose all or part of your investment in our common stock since you might be unable to sell your shares at or above the price you paid in this offering. Factors that could cause fluctuations in the trading price of our common stock include :

- price and volume fluctuations in the overall stock market from time to time;
- volatility in the market prices and trading volumes of technology stocks;
- changes in operating performance and stock market valuations of other technology companies generally, or those in our industry in particular;
- sales of shares of our common stock by us or our stockholders;

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- failure of financial analysts to maintain coverage of us, changes in financial estimates by any analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- the financial projections we may provide to the public, any changes in those projections or our failure to meet those projections;
- announcements by us or our competitors of new products or new or terminated significant contracts, commercial relationships or capital commitments;
- the public's reaction to our press releases, other public announcements and filings with the SEC;
- rumors and market speculation involving us or other companies in our industry;
- actual or anticipated changes in our operating results or fluctuations in our operating results;
- actual or anticipated developments in our business or our competitors' businesses or the competitive landscape generally;
- litigation involving us, our industry or both or investigations by regulators into our operations or those of our competitors;
- developments or disputes concerning our intellectual property or other proprietary rights;
- announced or completed acquisitions of businesses or technologies by us or our competitors;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- changes in accounting standards, policies, guidelines, interpretations or principles;
- any major change in our management;
- general economic conditions and slow or negative growth of our markets; and
- other events or factors, including those resulting from war, incidents of terrorism or responses to these events.

In addition, the stock market in general, and the market for technology companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. Broad market and industry factors, as well as general economic, political and market conditions such as recessions or interest rate changes, may seriously affect the market price of our common stock, regardless of our actual operating performance. These fluctuations may be even more pronounced in the trading market for our stock shortly following this offering. If the market price of our common stock after this offering does not exceed the initial public offering price, you may not realize any return on your investment in us and may lose some or all of your investment.

In addition, in the past, following periods of volatility in the overall market and the market prices of particular companies' securities, securities class action litigations have often been instituted against these companies. Litigation of this type, if instituted against us, could result in substantial costs and a diversion of our management's attention and resources. Any adverse determination in any such litigation or any amounts paid to settle any such actual or threatened litigation could require that we make significant payments.

Our directors and principal stockholders own a significant percentage of our stock and will be able to exert significant control over matters subject to stockholder approval.

Our directors, executive officers and significant stockholders will continue to have substantial control over us after this offering and could delay or prevent a change in corporate control. After this offering, our directors, executive officers and holders of more than 5% of our common stock, together with their affiliates, will beneficially own, in the aggregate, % of our outstanding common stock, based on the number of shares

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outstanding as of March 31, 2016. As a result, these stockholders, acting together, would have the ability to control the outcome of matters submitted to our stockholders for approval, including the election of directors and any merger, consolidation or sale of all or substantially all of our assets. In addition, these stockholders, acting together, would have the ability to control the management and affairs of our company. Accordingly, this concentration of ownership might adversely affect the market price of our common stock by:

- delaying, deferring or preventing a change in control of the company;
- impeding a merger, consolidation, takeover, or other business combination involving us; or
- discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of the company.

If securities or industry analysts issue an adverse opinion regarding our stock or do not publish research or reports about our company, our stock price and trading volume could decline.

The trading market for our common stock will depend in part on the research and reports that equity research analysts publish about us and our business. Currently, we do not have any analyst coverage and we may not obtain analyst coverage in the future. If we obtain analyst coverage, we would have no control over such analysts or the content and opinions in their reports. Securities analysts may elect not to provide research coverage of our company after the closing of this offering, and such lack of research coverage may adversely affect the market price of our common stock. The price of our common stock could also decline if one or more equity research analysts downgrade our common stock or if those analysts issue other unfavorable commentary or cease publishing reports about us or our business. If one or more equity research analysts cease coverage of our company, we could lose visibility in the market, which in turn could cause our stock price to decline.

Substantial future sales of shares of our common stock could cause the market price of our common stock to decline.

The market price of shares of our common stock could decline as a result of substantial sales of our common stock, particularly sales by our directors, executive officers and significant stockholders, a large number of shares of our common stock becoming available for sale or the perception in the market that holders of a large number of shares intend to sell their shares. After this offering, we will have outstanding _____ shares of our common stock, based on the number of shares outstanding as of March 31, 2016. This includes the shares included in this offering, which may be resold in the public market immediately without restriction, unless purchased by our affiliates or existing stockholders. The remaining _____ shares are currently restricted as a result of lock-up agreements but will be able to be sold in the near future as set forth below.

Moreover, after this offering, the holders of _____ shares of our common stock, based on the number of shares outstanding as of March 31, 2016, will have rights, subject to some conditions, to require us to file registration statements covering their shares or to include their shares in registration statements that we may file for ourselves or our stockholders. Substantially all of these shares are subject to lock-up agreements restricting their sale for 180 days after the date of this prospectus. We also intend to register shares of common stock that we may issue under our employee equity incentive plans. Once we register these shares, they will be able to be sold freely in the public market upon issuance, subject to volume limitations applicable to affiliates and the lock-up agreements described in "Plan of Distribution." Northland Capital Markets may, in its sole discretion, permit our officers, directors, employees, and current stockholders who are subject to the 180-day contractual lock-up to sell shares prior to the expiration of the lock-up agreements.

Our management will have discretion in the use of the net proceeds from this offering and may not use them in a way which increases the value of your investment.

We currently intend to use the net proceeds of the offering for working capital and general corporate purposes, including sales and marketing activities, product development, and capital expenditures, and we may

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also use a portion of the net proceeds for the acquisition of, or investment in, technologies, solutions or businesses that complement our business, although we have no present commitments or agreements to enter into any acquisitions or investments. However, our management will have considerable discretion in the application of the net proceeds from this offering and investors will be relying on the judgment of our management regarding the application of those proceeds. Our management may spend the proceeds in ways that do not improve our operating results or enhance the value of our common stock, and you will not have the opportunity to influence management's decisions on how to use the proceeds from this offering. Our failure to apply these funds effectively could have a material adverse effect on our business and cause the price of our common stock to decline.

Purchasers in this offering will experience immediate and substantial dilution in the book value of their investment.

The initial public offering price of our common stock is substantially higher than the net tangible book value per share of our common stock immediately after this offering. Therefore, if you purchase our common stock in this offering, you will incur an immediate dilution of \$ in net tangible book value per share from the price you paid, based on an assumed initial public offering price of \$ per share, which is the midpoint of the price range set forth on the cover page of this prospectus. In addition, new investors who purchase shares in this offering will contribute approximately % of the total amount of equity capital raised by us through the date of this offering, but will only own approximately % of the outstanding equity capital. The exercise of outstanding options and warrants will result in further dilution. In addition, if we raise additional funds by issuing equity securities, our stockholders may experience further dilution. For a detailed description of the dilution that you will experience immediately after this offering, see "Dilution."

Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of us, which may be beneficial to our stockholders, more difficult and may prevent attempts by our stockholders to replace or remove our current management and limit the market price of our common stock.

Provisions in our certificate of incorporation and amended and restated bylaws, which will become effective upon the closing of this offering, may have the effect of delaying or preventing a change of control or changes in our management. Some of these provisions:

- authorize our board of directors to issue, without further action by the stockholders, up to 10,000,000 shares of undesignated preferred stock and up to approximately shares of authorized but unissued shares of common stock;
- require that any action to be taken by our stockholders be effected at a duly called annual or special meeting and not by written consent;
- specify that special meetings of our stockholders can be called only by our board of directors, the Chairman, the Chief Executive Officer or the President;
- establish an advance notice procedure for stockholder approvals to be brought before an annual meeting of our stockholders, including proposed nominations of persons for election to our board of directors;
- establish that our board of directors is divided into three classes, Class I, Class II and Class III, with each class serving staggered terms;
- provide that our directors may be removed only for cause; and
- provide that vacancies on our board of directors may, except as otherwise required by law, be filled only by a majority of directors then in office, even if less than a quorum.

In addition, we will be subject to the provisions of Section 203 of the Delaware General Corporation Law, which limits the ability of stockholders owning in excess of 15% of our outstanding voting stock to merge or

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combine with us. Furthermore, our certificate of incorporation that will go into effect prior to the closing of this offering specifies that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for most legal actions involving actions brought against us by stockholders. We believe this provision benefits us by providing increased consistency in the application of Delaware law by chancellors particularly experienced in resolving corporate disputes, efficient administration of cases on a more expedited schedule relative to other forums and protection against the burdens of multi-forum litigation. However, the provision may have the effect of discouraging lawsuits against our directors and officers. The enforceability of similar choice of forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that, in connection with any applicable action brought against us, a court could find the choice of forum provisions contained in our certificate of incorporation to be inapplicable or unenforceable in such action.

These anti-takeover provisions and other provisions in our certificate of incorporation and amended and restated bylaws that will go into effect prior to the closing of this offering could make it more difficult for stockholders or potential acquirers to obtain control of our board of directors or initiate actions that are opposed by the then-current board of directors and could also delay or impede a merger, tender offer or proxy contest involving our company. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing or cause us to take other corporate actions you desire. Any delay or prevention of a change of control transaction or changes in our board of directors could cause the market price of our common stock to decline.

We have never paid cash dividends on our capital stock, and we do not anticipate paying cash dividends in the foreseeable future.

We have never declared or paid any cash dividends on our common stock and do not intend to pay any cash dividends in the foreseeable future. In addition, our loan and security agreement with Silicon Valley Bank restricts our ability to pay cash dividends on our common stock without the prior written consent of Silicon Valley Bank, and we may also enter into credit agreements or other borrowing arrangements in the future that will restrict our ability to declare or pay cash dividends on our common stock. We currently intend to retain any future earnings to fund the growth of our business. Any determination to pay dividends in the future will be at the discretion of our board of directors and will depend on our financial condition, operating results, capital requirements, general business conditions and other factors that our board of directors may deem relevant. As a result, capital appreciation, if any, of our common stock will be the sole source of gain for the foreseeable future.

If an active, liquid trading market for our common stock does not develop, you may not be able to sell your shares quickly or at or above the initial offering price.

There has not been a public market for our common stock. An active and liquid trading market for our common stock may not develop or be sustained following this offering. Given the small size of our initial public offering, it may take some time for an active market to develop. The lack of an active market may impair your ability to sell your shares at the time you wish to sell them or at a price that you consider reasonable. The lack of an active market may also reduce the fair market value of your shares. An inactive market may also impair our ability to raise capital to continue to fund operations by selling shares and may impair our ability to acquire other companies or technologies by using our shares as consideration. You may not be able to sell your shares quickly or at or above the initial offering price. The initial public offering price will be determined by negotiations with the representatives of the underwriters. This price may not be indicative of the price at which our common stock will trade after this offering, and our common stock could trade below the initial public offering price.

Our inability to raise additional capital on acceptable terms in the future may limit our ability to develop and commercialize new solutions and technologies and expand our operations.

If our available cash balances, net proceeds from this offering and anticipated cash flow from operations are insufficient to satisfy our liquidity requirements, including because of lower demand for our products as a result

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of other risks described in this “Risk Factors” section, we may seek to raise additional capital through equity offerings, debt financings, collaborations or licensing arrangements. We may also consider raising additional capital in the future to expand our business, pursue strategic investments, take advantage of financing opportunities, or other reasons.

Additional funding may not be available to us on acceptable terms, or at all. If we raise funds by issuing equity securities, dilution to our stockholders could result. Any equity securities issued also may provide for rights, preferences or privileges senior to those of holders of our common stock. The terms of debt securities issued or borrowings could impose significant restrictions on our operations. The incurrence of indebtedness or the issuance of certain equity securities could result in increased fixed payment obligations and could also result in restrictive covenants, such as limitations on our ability to incur additional debt or issue additional equity, limitations on our ability to acquire or license intellectual property rights, and other operating restrictions that could adversely affect our ability to conduct our business. In addition, the issuance of additional equity securities by us, or the possibility of such issuance, may cause the market price of our common stock to decline. If we do not have, or are not able to obtain, sufficient funds, we may have to delay development or commercialization of our products or license to third parties the rights to commercialize products or technologies that we would otherwise seek to commercialize. If we raise additional funds through collaboration and licensing arrangements with third parties, it may be necessary to relinquish some rights to our technologies or our products, or to grant licenses on terms that are not favorable to us. If we are unable to raise adequate funds, we may have to liquidate some or all of our assets, or delay, reduce the scope of or eliminate some or all of our development programs. We also may have to reduce marketing, customer support or other resources devoted to our products or cease operations. Any of these actions could harm our business, operating results and financial condition.

We are an “emerging growth company” and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our common stock less attractive to investors.

We are an “emerging growth company” as defined in the JOBS Act. For as long as we continue to be an emerging growth company, we may choose to take advantage of certain exemptions from various reporting requirements applicable to other public companies but not to emerging growth companies, which includes, among other things:

- exemption from the auditor attestation requirements under Section 404 of the Sarbanes-Oxley Act of 2002;
- reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements;
- exemption from the requirements of holding non-binding stockholder votes on executive compensation arrangements; and
- exemption from any rules requiring mandatory audit firm rotation and auditor discussion and analysis and, unless the SEC otherwise determines, any future audit rules that may be adopted by the Public Company Accounting Oversight Board.

We could be an emerging growth company until the last day of the fiscal year following the fifth anniversary after our initial public offering, or until the earliest of (i) the last day of the fiscal year in which we have annual gross revenue of \$1 billion or more, (ii) the date on which we have, during the previous three year period, issued more than \$1 billion in non-convertible debt or (iii) the date on which we are deemed to be a large accelerated filer under the federal securities laws. We will qualify as a large accelerated filer as of the first day of the first fiscal year after we have (i) more than \$700 million in outstanding common equity held by our non-affiliates and (ii) been public for at least 12 months. The value of our outstanding common equity will be measured each year on the last day of our second fiscal quarter.

We cannot predict if investors will find our common stock less attractive if we rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

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We will incur significant increased costs as a result of operating as a public company, and our management will be required to devote substantial time to comply with the laws and regulations affecting public companies, particularly after we are no longer an emerging growth company.

We have never operated as a public company. As a public company, particularly after we cease to qualify as an emerging growth company, we will incur significant legal, accounting and other expenses that we did not incur as a private company, including costs associated with public company reporting and corporate governance requirements, to comply with the rules and regulations imposed by the Sarbanes-Oxley Act and the Dodd-Frank Act, as well as rules implemented by the SEC and NASDAQ. Our management and other personnel will need to devote a substantial amount of time to these compliance initiatives and our legal and accounting compliance costs will increase. It is likely that we will need to hire additional staff in the areas of investor relations, legal and accounting to operate as a public company. We also expect these new rules and regulations may make it more difficult and expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified individuals to serve on our board of directors or as executive officers. We are evaluating and monitoring developments regarding these rules, and we cannot predict or estimate the amount of additional costs we may incur or the timing of such costs.

For example, the Sarbanes-Oxley Act requires, among other things, that we maintain effective internal controls over financial reporting and disclosure controls and procedures. In particular, as a public company, we will be required to perform system and process evaluations and testing of our internal control over financial reporting to allow management to report on the effectiveness of our internal controls over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act. As described above, as an emerging growth company, we will not need to comply with the auditor attestation provisions of Section 404 for several years. Our testing, or the subsequent testing by our independent registered public accounting firm, may reveal deficiencies in our internal control over financial reporting that are deemed to be material weaknesses. Our compliance with Section 404 will require that we incur substantial accounting expense and management time on compliance-related issues. Moreover, if we are not able to comply with the requirements of Section 404 in a timely manner, or if we or our independent registered public accounting firm identify deficiencies in our internal control over financial reporting that are deemed to be material weaknesses, we could lose investor confidence in the accuracy and completeness of our financial reports, which could cause our stock price to decline.

When the available exemptions under the JOBS Act, as described above, cease to apply, we expect to incur additional expenses and devote increased management effort toward ensuring compliance with them. We cannot predict or estimate the amount of additional costs we may incur as a result of becoming a public company or the timing of such costs.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements. All statements, other than statements of historical fact, contained in this prospectus, including statements regarding our future operating results, financial position and cash flows, our business strategy and plans and our objectives for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “plan,” “target,” “project,” “contemplate,” “predict,” “potential,” “would,” “could,” “should,” “intend” and “expect” or the negative of these terms or other similar expressions.

We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, operating results, business strategy, short-term and long-term business operations and objectives. These forward-looking statements speak only as of the date of this prospectus and are subject to a number of risks, uncertainties and assumptions, including those described under sections in this prospectus entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operation” and elsewhere in this prospectus. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors and uncertainties may emerge from time to time. It is not possible for our management to predict all risk factors and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the future events and trends discussed in this prospectus may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance and events and circumstances reflected in the forward-looking statements will be achieved or occur. Moreover, neither we nor any other person assume responsibility for the accuracy and completeness of the forward-looking statements. Except as required by applicable law, we undertake no obligation to update publicly or revise any forward-looking statements for any reason after the date of this prospectus to conform these statements to actual results or to changes in our expectations, whether as a result of any new information, future events, changed circumstances or otherwise.

This prospectus contains estimates and statistical data that we obtained from industry publications and reports. These publications generally indicate that they have obtained their information from sources believed to be reliable, but do not guarantee the accuracy and completeness of their information, and you are cautioned not to give undue weight to such estimates. Although we believe the publications are reliable, we have not independently verified their data. In addition, projections, assumptions and estimates of our future performance and the future performance of the markets in which we operate are necessarily subject to a high degree of uncertainty and risk.

You should read this prospectus and the documents that we reference in this prospectus and have filed as exhibits to the registration statement of which this prospectus is a part with the understanding that our actual future results, levels of activity, performance and achievements may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

USE OF PROCEEDS

We estimate that the net proceeds to us from the sale of the common stock that we are offering will be approximately \$ million (or \$ million if the underwriters exercise their over-allotment option to purchase additional shares in full), assuming an initial public offering price of \$ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. Each \$1.00 increase (decrease) in the assumed initial public offering price of \$ would increase (decrease) the net proceeds to us from this offering by \$ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. Each increase (decrease) of 1.0 million in the number of shares offered by us would increase (decrease) the net proceeds to us from this offering, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, by approximately \$ million, assuming the assumed initial public offering price stays the same, and after deducting the estimated underwriting discounts and commissions and the estimated offering expenses payable by us.

The principal purposes of this offering are to obtain additional capital to support our operations, to create a public market for our common stock and to facilitate our future access to the public equity markets. We currently intend to use the net proceeds we receive from this offering for working capital and general corporate purposes, including sales and marketing activities, product development and capital expenditures. We may also use a portion of the net proceeds for the acquisition of, or investment in, technologies, solutions or businesses. However, we have no present commitments or agreements to enter into any acquisitions or investments. Pending these uses, we intend to invest the net proceeds from this offering in short-term, investment-grade interest-bearing securities such as money market accounts, certificates of deposit, commercial paper and guaranteed obligations of the U.S. government.

The amounts and timing of our actual expenditure, including expenditure related to sales and marketing and product development will depend on numerous factors, including the status of our product development efforts, our sales and marketing activities, expansion internationally, the amount of cash generated or used by our operations, competitive pressures and other factors described under "Risk Factors" in this prospectus. We therefore cannot estimate the amount of net proceeds to be used for the purposes described above. As a result, we may find it necessary or advisable to use the net proceeds for other purposes. Our management will have broad discretion in the application of the net proceeds, and investors will be relying on our judgment regarding the application of the net proceeds from this offering.

DIVIDEND POLICY

We have never declared or paid cash dividends on our common stock. We currently intend to retain all available funds and any future earnings for use in the operation of our business and do not anticipate paying any cash dividends on our common stock in the foreseeable future. Our loan and security agreement with Silicon Valley Bank restricts our ability to pay cash dividends on our common stock, and we may also enter into credit agreements or other borrowing arrangements in the future that will restrict our ability to declare or pay cash dividends on our common stock. Any future determination to declare dividends will be made at the discretion of our board of directors and will depend on our financial condition, operating results, capital requirements, general business conditions and other factors that our board of directors may deem relevant.

CAPITALIZATION

The following table sets forth our cash and capitalization as of March 31, 2016 on:

- an actual basis;
- a pro forma basis to reflect (1) the automatic conversion of all outstanding shares of our preferred stock into 30,808,575 shares of our common stock prior to the closing of this offering, (2) the issuance of 18,637,918 shares of common stock to the holders of Series A, D, E, F and G preferred stock in connection with this offering in satisfaction of accumulated dividends as of March 31, 2016, (3) the issuance of 1,271,507 shares of common stock to the holders of 2011 Warrants as a result of the net exercise of the 2011 Warrants in May 2016, and (4) our reincorporation in Delaware and filing of our Delaware certificate of incorporation prior to the closing of this offering; and
- a pro forma as adjusted basis to additionally reflect our receipt of the net proceeds from our sale of _____ shares of common stock in this offering at an assumed initial public offering price of \$ _____ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The pro forma and pro forma as adjusted information below is illustrative only, and our capitalization following the closing of this offering will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing as well as our actual expenses. You should read this table together with “Selected Financial Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our financial statements and the related notes appearing elsewhere in this prospectus.

	As of March 31, 2016		
	Actual	Pro Forma	Pro Forma As Adjusted(1)
Cash	\$ 4,037,358	\$ _____	\$ _____
Preferred stock warrant liability	630,670		
Long-term notes payable	2,333,333		
Preferred stock, no par value, 45,454,833 shares authorized, 29,515,876 shares issued and outstanding, actual, \$0.0001 par value, shares authorized and no shares issued or outstanding, pro forma and pro forma as adjusted	49,608,659		
Common stock, no par value, 80,000,000 shares authorized, 6,658,501 shares issued and outstanding, actual; \$0.0001 par value and _____ shares authorized, pro forma and pro forma as adjusted; _____ shares issued and outstanding, pro forma; _____ shares issued and outstanding, pro forma as adjusted	1,094,375		
Additional paid-in capital	—		
Accumulated deficit	(46,840,905)		
Total stockholders’ (deficit) equity	(39,777,981)		
Total capitalization	\$ 3,862,129	\$ _____	\$ _____

- (1) Each \$1.00 increase (decrease) in the assumed initial public offering price of \$ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) each of cash, additional paid-in capital, total stockholders’ (deficit) equity and total capitalization by \$ _____ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase (decrease) of 1.0 million shares in

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the number of shares offered by us would increase (decrease) the pro forma as adjusted amount of each of cash, additional paid-in capital, total stockholders' (deficit) equity and total capitalization by approximately \$ _____ million, assuming that the assumed initial public offering price remains the same, and after deducting the estimated underwriting discounts and commissions and the estimated offering expenses payable by us.

The number of shares in the table above excludes:

- 7,541,922 shares of common stock issuable upon the exercise of stock options outstanding as of March 31, 2016, at a weighted average exercise price of \$0.21 per share;
- _____ shares of our common stock issuable to the holders of our Series A, D, E, F and G preferred stock in connection with this offering in satisfaction of dividends accruing from April 1, 2016 to the conversion in connection with the closing of this offering, assuming the closing occurs on _____, 2016;
- _____ unallocated shares of common stock reserved for future issuance under our stock-based compensation plans, consisting of 3,213,138 shares of common stock reserved for future issuance under our 2013 Equity Incentive Plan as of March 31, 2016, which shares will be added to the shares to be reserved under our 2016 Incentive Award Plan, _____ shares of common stock to be reserved for future issuance under our 2016 Incentive Award Plan, which will become effective in connection with this offering, and _____ shares of common stock to be reserved for future issuance under our 2016 Employee Stock Purchase Plan, which will become effective in connection with this offering, and shares that become available under our 2016 Incentive Award Plan and 2016 Employee Stock Purchase Plan pursuant to provisions thereof that automatically increase the share reserves under the plans each year, as more fully described in "Executive Compensation—Incentive Award Plans"; and
- _____ shares of common stock issuable upon the exercise of warrants issued to Northland Capital Markets in connection with this offering, at an exercise price per share equal to 150% of the public offering price per share.

Preferred Stock Dividends

Each share of our Series A, D, E, F and G preferred stock is entitled to receive accrued dividends upon conversion of the preferred stock, which are payable, at the discretion of our board of directors, in cash or shares of our common stock calculated by dividing the aggregate accumulated accrued dividend amount by the original issue price and the applicable conversion price for such series of preferred stock. Our board of directors has determined to pay such accrued dividends in the form of shares of common stock. The aggregate number of shares of common stock issuable upon conversion of the Series A, D, E, F and G preferred stock that was outstanding as of March 31, 2016 is 18,637,918. An additional _____ shares of our common stock in the aggregate are issuable upon conversion to holders of our Series A, D, E, F and G convertible preferred stock in satisfaction of dividends accrued from April 1, 2016 to the conversion in connection with the closing of this offering, assuming the closing occurs on _____, 2016.

DILUTION

If you invest in our common stock in this offering, your ownership interest will immediately be diluted to the extent of the difference between the amount per share paid by purchasers of shares of our common stock in this initial public offering and the pro forma as adjusted net tangible book value per share of our common stock immediately after this offering.

As of March 31, 2016, our historical net tangible book value was approximately \$(50.4) million, or \$(7.57) per share of our common stock. Historical net tangible book value per share represents the amount of our total tangible assets less our total liabilities and preferred stock, divided by the number of shares of our common stock outstanding as of March 31, 2016. As of March 31, 2016, our pro forma net tangible book value was approximately \$, or \$ per share of our common stock. Pro forma net tangible book value per share represents the amount of our total tangible assets less our total liabilities, divided by the number of shares of our common stock outstanding as of March 31, 2016, after giving effect to (1) the automatic conversion of all outstanding shares of our preferred stock into 30,808,575 shares of our common stock prior to the closing of this offering, (2) the issuance of 18,637,918 shares of common stock to the holders of Series A, D, E, F and G preferred stock in connection with this offering in satisfaction of accumulated dividends as of March 31, 2016 and (3) the issuance of 1,271,507 shares of common stock to the holders of 2011 Warrants as a result of the net exercise of the 2011 Warrants in May 2016.

After giving further effect to our sale of shares of our common stock in this offering at an assumed initial public offering price of \$ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of March 31, 2016 would have been approximately \$, or approximately \$ per share of our common stock. This represents an immediate increase in pro forma as adjusted net tangible book value of \$ per share to existing stockholders and an immediate dilution of \$ per share to new investors purchasing shares of our common stock in this offering. The following table illustrates this dilution:

Assumed initial public offering price per share	\$
Historical net tangible book value per share as of March 31, 2016	\$(7.57)
Pro forma increase per share attributable to the pro forma transactions described in the preceding paragraphs	_____
Pro forma net tangible book value per share as of March 31, 2016	_____
Pro forma increase per share attributable to new investors in this offering	_____
Pro forma as adjusted net tangible book value per share after this offering	_____
Dilution per share to new investors in this offering	\$ _____

Each \$1.00 increase (decrease) in the assumed initial public offering price of \$ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) our pro forma as adjusted net tangible book value by \$ per share and the dilution in pro forma as adjusted net tangible book value per share to new investors in this offering by \$ per share, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

We may also increase or decrease the number of shares we are offering. An increase of 1.0 million shares in the number of shares offered by us would increase our pro forma as adjusted net tangible book value by \$ per share and decrease the dilution to new investors in this offering by approximately \$ per share, assuming that the assumed initial public offering price remains the same, and after deducting the estimated underwriting discounts and commissions and the estimated offering expenses payable by us. Similarly, a

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decrease of 1.0 million shares in the number of shares offered by us would decrease our pro forma as adjusted net tangible book value by \$ _____ per share and increase the dilution to new investors in this offering by approximately \$ _____ per share, assuming that the assumed initial public offering price remains the same, and after deducting the estimated underwriting discounts and commissions and the estimated offering expenses payable by us.

If the underwriters exercise their over-allotment option to purchase additional shares of our common stock in full in this offering, the pro forma as adjusted net tangible book value after the offering would be \$ _____ per share, the increase in pro forma net tangible book value per share to existing stockholders would be \$ _____ per share and the dilution per share to new investors would be \$ _____ per share, in each case assuming an initial public offering price of \$ _____ per share, the midpoint of the price range set forth on the cover page of this prospectus.

The following table summarizes, on the pro forma as adjusted basis described above, as of March 31, 2016, the total number of shares of common stock purchased from us, the total consideration paid to us, and the average price per share paid to us by existing stockholders and by new investors purchasing shares in this offering at the assumed initial public offering price of \$ _____ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, before deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us:

	Shares Purchased		Total Consideration		Average Price
	Number	Percent	Amount	Percent	Per Share
Existing stockholders		%	\$	%	\$
New investors					
Total		100%	\$	100%	\$

The foregoing tables and discussion and tables exclude:

- 7,541,922 shares of common stock issuable upon the exercise of stock options outstanding as of March 31, 2016, at a weighted average exercise price of \$0.21 per share;
- _____ shares of our common stock issuable to the holders of our Series A, D, E, F and G preferred stock in connection with this offering in satisfaction of dividends accruing from April 1, 2016 to the conversion in connection with the closing of this offering, assuming the closing occurs on _____, 2016; and
- unallocated shares of common stock reserved for future issuance under our stock-based compensation plans, consisting of 3,213,138 shares of common stock reserved for future issuance under our 2013 Equity Incentive Plan as of March 31, 2016, which shares will be added to the shares to be reserved under our 2016 Incentive Award Plan, _____ shares of common stock to be reserved for future issuance under our 2016 Incentive Award Plan, which will become effective in connection with this offering, and _____ shares of common stock to be reserved for future issuance under our 2016 Employee Stock Purchase Plan, which will become effective in connection with this offering, and shares that become available under our 2016 Incentive Award Plan and 2016 Employee Stock Purchase Plan pursuant to provisions thereof that automatically increase the share reserves under the plans each year, as more fully described in “Executive Compensation—Incentive Award Plans”; and
- _____ shares of common stock issuable upon the exercise of warrants issued to Northland Capital Markets in connection with this offering, at an exercise price per share equal to 150% of the public offering price per share.

If the underwriters exercise their over-allotment option to purchase additional shares of our common stock in full the percentage of shares of common stock held by existing stockholders will decrease to approximately _____

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% of the total number of shares of our common stock outstanding after this offering, and the number of shares held by new investors will increase to _____, or approximately _____ % of the total number of shares of our common stock outstanding after this offering.

To the extent that any of the outstanding options to purchase shares of our common stock are exercised, new investors will experience further dilution. If all of such outstanding options had been exercised as of March 31, 2016, the pro forma as adjusted net tangible book value per share would be \$ _____, and total dilution per share to new investors would be \$ _____. In addition, we may issue additional shares of common stock, other equity securities or convertible debt securities in the future, which may cause further dilution to new investors in this offering.

If the underwriters exercise their over-allotment option to purchase additional shares of our common stock in full:

- the percentage of shares of common stock held by existing stockholders will decrease to approximately _____ % of the total number of shares of our common stock outstanding after this offering; and
- the number of shares held by new investors will increase to _____, or approximately _____ % of the total number of shares of our common stock outstanding after this offering.

SELECTED FINANCIAL DATA

The following tables set forth our selected financial data as of, and for the periods ended on, the dates indicated. We have derived the statements of operations data for the years ended December 31, 2014 and 2015 and the balance sheet data as of December 31, 2014 and 2015 from our audited financial statements included elsewhere in this prospectus. The statements of operations data for the three months ended March 31, 2015 and 2016 and the balance sheet data as of March 31, 2016 have been derived from our unaudited financial statements included elsewhere in this prospectus and have been prepared on the same basis as the audited financial statements. In the opinion of the management, the unaudited data reflects all adjustments, consisting of normal and recurring adjustments, necessary for a fair presentation of results as of and for these periods. You should read this data together with our financial statements and related notes included elsewhere in this prospectus and the section in this prospectus entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Our historical results for any prior period are not indicative of our future results, and our results for the three months ended March 31, 2016 may not be indicative of our results for the year ending December 31, 2016.

	Year Ended		Three Months Ended	
	December 31, 2014	December 31, 2015	March 31, 2015	March 31, 2016
	(unaudited)			
Statement of Operations Data:				
Sales	\$ 25,509,572	\$ 27,793,073	\$ 5,732,733	\$ 8,512,305
Cost of goods sold	14,132,357	16,148,163	3,250,038	4,834,681
Gross profit	11,377,215	11,644,910	2,482,695	3,677,624
Operating expenses:				
Research and development	3,311,337	4,257,400	966,097	1,321,686
Sales and marketing	3,516,095	4,035,591	962,601	1,241,104
General and administrative	2,972,257	3,453,288	836,611	998,040
IPO cost	726,926	229,332	—	—
Total operating expenses	10,526,615	11,975,611	2,765,309	3,560,830
Income (loss) from operations	850,600	(330,701)	(282,614)	116,794
Interest and other income	(2,743,871)	(60,981)	(233,625)	(26,359)
Income (loss) before income taxes	3,594,471	(269,720)	(48,989)	143,153
Provision for income taxes	6,171	622	8,511	4,000
Net income (loss)	\$ 3,588,300	\$ (270,342)	\$ (57,500)	\$ 139,153
Net income (loss) per share(1):				
Basic	\$ 0.21	\$ (0.42)	\$ (0.11)	\$ (0.07)
Diluted	\$ (0.29)	\$ (0.43)	\$ (0.14)	\$ (0.08)
Pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited)(1)				
Weighted average shares used in calculating income (loss) per share(1)				
Basic	5,558,059	6,515,926	6,254,633	6,658,501
Diluted	5,558,059	6,515,926	6,254,633	6,658,501

(1) See Note 1 to our financial statements included elsewhere in this prospectus for an explanation of the method used to calculate the historical and pro forma net loss per share, basic and diluted, and the number of shares used in the computation of the per share amounts.

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	<u>As of December 31,</u>		<u>As of March 31,</u>
	<u>2014</u>	<u>2015</u>	<u>2016</u>
			<u>(unaudited)</u>
Balance Sheet Data:			
Cash and cash equivalents	\$ 3,590,745	\$ 5,335,913	\$ 4,037,358
Working capital	3,412,690	1,802,826	1,682,406
Total assets	8,733,058	15,260,414	13,584,819
Preferred stock warrant liability	809,974	709,504	630,670
Long-term notes payable	346,873	2,721,865	2,333,333
Preferred redeemable convertible stock	40,724,356	43,106,906	43,640,110
Preferred convertible stock	5,968,549	5,968,549	5,968,549
Additional paid-in capital	—	—	—
Accumulated deficit	(44,389,408)	(46,475,746)	(46,840,905)
Total stockholders' deficit	(37,670,138)	(39,412,822)	(39,777,981)

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

You should read the following discussion and analysis of our financial condition and operating results together with our financial statements and related notes included elsewhere in this prospectus. This discussion and analysis and other parts of this prospectus contain forward-looking statements based upon current beliefs, plans and expectations that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" or in other parts of this prospectus. The last day of our fiscal year is December 31. Our fiscal quarters end on March 31, June 30, September 30, and December 31, and our current fiscal year will end on December 31, 2016.

Overview

Airgain is a leading provider of embedded antenna technologies used to enable high performance wireless networking across a broad range of home, enterprise, and industrial devices. Our innovative antenna systems open up exciting new possibilities in wireless services requiring high speed throughput, broad coverage footprint, and carrier grade quality. Our antennas are found in devices deployed in carrier, enterprise, and residential wireless networks and systems, including set top boxes, access points, routers, gateways, media adapters, and digital televisions. Through our pedigree in the design, integration, and testing of high performance embedded antenna technology, we have become a leading provider to the residential wireless local area networking, also known as WLAN or Wi-Fi, antenna market, supplying to leading carriers, Original Equipment Manufacturers, or OEMs, Original Design Manufacturers, or ODMs, and system designers who depend on us to achieve their wireless performance goals. We also develop embedded antenna technology for adjacent markets, including enterprise Wi-Fi systems for on premises and cloud-based services, and for small cellular applications such as Pico and Femto Cells using Long-Term Evolution, or LTE, and Digital Enhanced Cordless Telecommunications, or DECT, and high-performance designs for the in-building wireless market.

We shipped approximately 87 million antenna products worldwide in 2015 used in approximately 34 million devices. Our products are found in a broad range of devices that generally enable Wi-Fi connectivity for data and video coverage. We sell our products to OEMs and ODMs. These companies compete based on product performance, product features, price, and other factors. While our products are found in devices manufactured by global OEMs and ODMs, the products end up primarily in the end-user devices that are deployed in carrier, enterprise, and residential wireless networks, access points, routers, residential gateways, set-top boxes, media adapters, and digital televisions. Our global sales force works with telecommunications and broadband carriers and retail-focused customers who seek high performance, reliable wireless solutions. By working with these end-user carriers and retail-focused customers, we seek to have service providers influence OEMs and ODMs to specify our antennas for the products they provide to their end-user customers. Our direct sales team works directly with customers, and also works with indirect channel partners who pursue sales opportunities that are based in the United States, Europe, and Asia.

Our sales cycle can be short or lengthy depending upon the specific situation; however, the majority of our revenues are derived from device designs with life-cycles of over 12 months. For some recurring customers, we are able to commence volume production of equipment that incorporates our products in less than one calendar quarter. In situations where we are selling to a new customer, it may take 12 to 18 months from initial meeting to achieve a design win. Competition generally lengthens the sales process, but our past performance and ability to provide high throughput, highly reliable antenna solutions can shorten the process. We intend to continue investing for long-term growth. We have invested and expect to continue to invest heavily in our product development efforts to address customer needs, and enable solutions that can address new end markets, such as alternative wireless connectivity technologies. In addition, we expect to continue to expand our sales force and engineering organizations and to make additional capital expenditures to further penetrate markets both in the United States and internationally, and to continue to expand our research and development for new product offerings and technology solutions.

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Although our sales cycle can be lengthy depending on the specific situation, the majority of our revenues are derived from device designs with life-cycles of over a year. In 2015, 80% of our revenues were from devices in the marketplace for over two years and 11% for devices in the marketplace for one to two years.

We believe demand is growing rapidly for our antenna solutions and there is a significant market opportunity. As the ability to provide mobile internet access has grown, our solutions and expertise have become more important to prospects and customers. As a passive component, embedded antennas can be viewed as a commodity. However, our design, engineering, and research show that antenna selection, placement, and testing can have significant improvements in device performance. We believe that we are chosen when performance is a more significant factor than price, and our distinctive focus on superior designs that provide increased range and throughput has allowed us to build a leadership position in the in-home WLAN antenna market.

Our sales increased 9% last year, from \$25.5 million for 2014 to \$27.8 million for 2015. Sales have increased each year since 2011, from \$10.0 million in 2011 to \$18.2 million in 2012, \$25.4 million in 2013, \$25.5 million in 2014, and \$27.8 million in 2015. However, our historical sales growth has been somewhat inconsistent and should not be considered indicative of our future performance. Our net loss has decreased from net losses of \$5.1 million in 2011 and \$1.1 million in 2012 to net income of \$0.2 million in 2013 and \$3.6 million in 2014 to a net loss of \$0.3 million in 2015. For the three months ended March 31, 2016, our net income was \$0.1 million.

Factors Affecting Our Operating Results

We believe that our performance and future success depend upon several factors, including the average selling price of our products per device, the number of antennas per device, manufacturing costs, investments in our growth, and our ability to diversify the number of devices that incorporate our antenna products. Our customers are extremely price conscious, and our operating results are affected by pricing pressure which may force us to lower prices below our established list prices. In addition, a few end customer devices which incorporate our antenna products comprise a significant amount of our sales, and the discontinuation or modification of such devices may materially and adversely affect our sales and results of operations. For example, in August 2014, a device which accounted for \$1.8 million of our sales in the three months ended March 31, 2015 reached the end of its lifecycle and was discontinued. We have seen our average selling price per device decrease 0.8% in the three months ended March 31, 2016 compared to the three months ended March 31, 2015 while we have seen the number of devices increase 49.9% and number of antennas per device increase 21.5%. Our ability to maintain or increase our sales depends on new and existing end customers selecting our antenna solutions for their devices and depends on investments in our growth to address customer needs, target new end markets, develop our product offerings and technology solutions and expand internationally. While each of these areas presents significant opportunities for us, they also pose significant risks and challenges we must successfully address. See the section entitled “Risk Factors.”

Key Components of Our Results of Operations and Financial Condition

Sales

We primarily generate revenue from the sales of our products. As discussed further in “—Critical Accounting Policies and Estimates—Revenue Recognition” below, we recognize revenue when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable, and collectability is reasonably assured. We generally recognize sales at the time of shipment to our customers, provided that all other revenue recognition criteria have been met. Although currently insignificant, we may also generate service revenue derived from agreements to provide design, engineering, and testing to a customer.

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Cost of Goods Sold

The cost of goods sold reflects the cost of producing antenna products that are shipped for our customers' devices. This primarily includes manufacturing costs of our products payable to our third-party contract manufacturers. The cost of goods sold that we generate from services provided to customers primarily includes personnel costs.

Operating Expenses

Our operating expenses are classified into three categories: research and development, sales and marketing, and general and administrative. For each category, the largest component is personnel costs, which includes salaries, employee benefit costs, bonuses, and stock-based compensation. Operating expenses also include allocated overhead costs for depreciation of equipment, facilities and information technology. Allocated costs for facilities consist of leasehold improvements and rent. Operating expenses are generally recognized as incurred.

Research and development. Research and development expenses primarily consist of personnel and facility-related costs attributable to our engineering research and development personnel. These expenses include work related to the design, engineering and testing of antenna designs, and antenna integration, validation and testing of customer devices. These expenses include salaries, including stock-based compensation, benefits, bonuses, travel, communications, and similar costs, and depreciation and allocated operating expenses such as office supplies, premises expenses, insurance and corporate legal expenses. We may also incur expenses from consultants and for prototyping new antenna solutions. We expect research and development expense to increase in absolute dollars as we increase our research and development headcount to further strengthen and enhance our antenna design and integration capabilities and invest in the development of new solutions and markets, although our research and development expense may fluctuate as a percentage of total sales.

Sales and marketing. Sales and marketing expenses primarily consist of personnel and facility-related costs for our sales, marketing, and business development personnel, stock-based compensation and bonuses earned by our sales personnel, and commissions earned by our third-party sales representative firms. Sales and marketing expense also includes the costs of trade shows, marketing programs, promotional materials, demonstration equipment, travel, recruiting, and allocated costs for certain facilities. We expect sales and marketing expense to continue to increase in absolute dollars as we increase the size of our sales and marketing organizations in support of our investment in our growth opportunities, although our sales and marketing expense may fluctuate as a percentage of total sales.

General and administrative. General and administrative expenses primarily consist of personnel and facility-related costs for our executive, finance, and administrative personnel, including stock-based compensation, as well as legal, accounting, and other professional services fees, depreciation, and other corporate expenses. We have recently incurred, and expect to continue to incur, additional expenses as we grow our operations and prepare to operate as a public company, including higher legal, corporate insurance and accounting expenses, and the additional costs of achieving and maintaining regulatory compliance. We expect general and administrative expense to increase in absolute dollars due to additional legal fees and accounting, insurance, investor relations, and other costs associated with being a public company, as well as, due to costs associated with growing our business, although our general and administrative expense may fluctuate as a percentage of total sales.

Interest and Other Expense (Income)

Interest Expense. Interest expense consists of interest on our outstanding debt and amortization of loan fees.

Other Expense (income). Other expense consists primarily of the change in fair value of our convertible stock warrant liability. Preferred redeemable convertible stock warrants are classified as a liability on our balance

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sheets and their estimated fair value is re-measured at each balance sheet date using a combination of an option-pricing model and current value model under the probability-weighted return method, with the corresponding change recorded within other expense (income). In May 2016, the warrants were amended such that they became immediately exercisable into shares of our common stock. Concurrent with such amendment, the holders of the outstanding warrants elected to net exercise the warrants, and were granted an aggregate of 1,271,507 shares of our common stock. Following such net exercise, there will be no future re-measurement of the warrant liability.

Provision for Income Taxes

Provision for income taxes consists of federal and state income taxes. Because we have generated net losses in the past, we have established a full valuation allowance against all deferred tax assets including net operating loss carryforwards and research and development credits.

Results of Operations

The following tables set forth our operating results for the periods presented and as a percentage of our total sales for those periods. The period-to-period comparison of financial results is not necessarily indicative of financial results to be achieved in future periods.

	Year Ended		Three Months Ended	
	December 31, 2014	December 31, 2015	March 31, 2015	March 31, 2016
Income Statement:				
Sales	\$ 25,509,572	\$ 27,793,073	\$ 5,732,733	\$ 8,512,305
Cost of goods sold	14,132,357	16,148,163	3,250,038	4,834,681
Gross profit	11,377,215	11,644,910	2,482,695	3,677,624
Operating expenses:				
Research and development	3,311,337	4,257,400	966,097	1,321,686
Sales and marketing	3,516,095	4,035,591	962,601	1,241,104
General and administrative	2,972,257	3,453,288	836,611	998,040
IPO cost	726,926	229,332	—	—
Total operating expenses	10,526,615	11,975,611	2,765,309	3,560,830
Income (loss) from operations	850,600	(330,701)	(282,614)	116,794
Interest and other income	(2,743,871)	(60,981)	(233,625)	(26,359)
Income (loss) before income taxes	3,594,471	(269,720)	(48,989)	143,153
Provision for income taxes	6,171	622	8,511	4,000
Net income (loss)	\$ 3,588,300	\$ (270,342)	\$ (57,500)	\$ 139,153

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	Year Ended		Three Months Ended	
	December 31, 2014	December 31, 2015	March 31, 2015	March 31, 2016
(calculated as a percentage of associated sales)				
Statement of Operations Data:				
Sales	100.0%	100.0%	100.0%	100.0%
Cost of goods sold	55.4%	58.1%	56.7%	56.8%
Gross profit	44.6%	41.9%	43.3%	43.2%
Operating expenses:				
Research and development	13.0%	15.3%	16.9%	15.5%
Sales and marketing	13.8%	14.5%	16.8%	14.6%
General and administrative	11.7%	12.4%	14.6%	11.7%
IPO cost	2.8%	0.8%	0.0%	0.0%
Total operating expenses	41.3%	43.1%	48.2%	41.8%
Income (loss) from operations	3.3%	(1.2%)	(4.9%)	1.4%
Interest and other income	(10.8%)	(0.2%)	(4.1%)	(0.3%)
Income (loss) before income taxes	14.1%	(1.0%)	(0.9%)	1.7%
Provision for income taxes	0.0%	0.0%	0.1%	0.0%
Net income (loss)	14.1%	(1.0%)	(1.0%)	1.6%

Non-GAAP Financial Results

We believe that the use of Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization, or Adjusted EBITDA, is helpful for an investor to determine whether to invest in our common stock. In computing Adjusted EBITDA, we also exclude stock-based compensation expense, which represents non-cash charges for the fair value of stock options and other non-cash awards granted to employees. Adjusted EBITDA is not a measurement of financial performance under generally accepted accounting principles in the United States, or GAAP. Because of varying available valuation methodologies, subjective assumptions and the variety of equity instruments that can impact a company's non-cash operating expenses, we believe that providing a non-GAAP financial measure that excludes non-cash expense allows for meaningful comparisons between our core business operating results and those of other companies, as well as providing us with an important tool for financial and operational decision making and for evaluating our own core business operating results over different periods of time.

Our Adjusted EBITDA measure may not provide information that is directly comparable to that provided by other companies in our industry, as other companies in our industry may calculate non-GAAP financial results differently, particularly related to non-recurring, unusual items. Our Adjusted EBITDA is not a measurement of financial performance under GAAP, and should not be considered as an alternative to operating income or as an indication of operating performance or any other measure of performance derived in accordance with GAAP. We do not consider Adjusted EBITDA to be a substitute for, or superior to, the information provided by GAAP financial results.

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The following table reflects the reconciliation of GAAP operating loss to non-GAAP Adjusted EBITDA:

	Year Ended	
	December 31, 2014	December 31, 2015
Reconciliation of Net Income (Loss) to Adjusted EBITDA		
Net income	3,588,300	(270,342)
Stock-based compensation expense	657,730	341,554
Depreciation and amortization expense	371,603	472,747
Non-recurring expenses(1)	910,451	732,028
Interest and other income	(2,743,871)	(60,981)
Provision for income taxes	6,171	622
Adjusted EBITDA	<u>2,790,384</u>	<u>1,215,628</u>

- (1) Non-recurring expenses for the year ended December 31, 2014 consists of \$726,926 related to write-off of deferred IPO expenses, \$140,450 related to Section 382 analysis, \$25,000 related to strategic sales initiative and \$18,075 of duplicate rental payments in connection with the move to our new corporate headquarters. Non-recurring expenses for the year ended December 31, 2015 consists of \$266,282 related to the forgiveness of a loan, \$236,414 for taxes arising from the forgiveness of the loan and \$229,332 related to IPO expenses.

	Three Months Ended	
	March 31, 2015	March 31, 2016
Reconciliation of Net Income (loss) to Adjusted EBITDA		
Net income (loss)	(57,500)	139,153
Stock-based compensation expense	150,571	28,893
Depreciation and amortization	113,263	208,778
Non-recurring expenses	—	—
Interest and other income	(233,625)	(26,359)
Provision for income taxes	8,511	4,000
Adjusted EBITDA	<u>\$ (18,780)</u>	<u>\$ 354,465</u>

Comparison of the Three Months Ended March 31, 2016 and 2015

Sales

Total sales increased by \$2.8 million, or 48.5%, to \$8.5 million for the three months ended March 31, 2016 compared to \$5.7 million for the three months ended March 31, 2015, primarily due to a \$2.8 million increase in product sales, of which \$1.0 million were associated with sales of products acquired in connection with the acquisition of certain North American assets from Skycross, Inc. in December 2015. Total devices increased 49.9% from 7.0 million for the three months ended March 31, 2015 to 10.5 million for the three months ended March 31, 2016, primarily due to increase in average number of antennas per device from 2.44 in the three months ended March 31, 2015 to an average of 2.96 antennas per device in the three months ended March 31, 2016. Additionally, an increase in overall demand in the in-home wireless set-top box market and carrier gateways and routers and the incorporation of our antennas in new devices offset products reaching the end of their lifecycle, contributed to the increase in sales. The average selling price per device decreased 1% from \$0.81 for the three months ended March 31, 2015 to \$0.80 for the three months ended March 31, 2016.

Cost of Goods Sold

Cost of goods sold increased by \$1.6 million, or 48.8%, to \$4.8 million for the three months ended March 31, 2016 compared with \$3.3 million for the three months ended March 31, 2015, primarily due an increase in product sales.

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Gross Profit

Gross profit as a percentage of sales, for the three months ended March 31, 2016 decreased by 0.1% to 43.2% for the three months ended March 31, 2016 compared to 43.3% for the three months ended March 31, 2015, primarily as a result of lower selling price per device.

Operating Expenses

Research and Development

Research and development expense increased by \$0.4 million, or 36.8%, to \$1.3 million for the three months ended March 31, 2016 compared with \$1.0 million for the three months ended March 31, 2015 primarily due to a \$0.3 million increase in personnel expenses associated with headcount increases and an increase in premises expenses.

Sales and Marketing

Sales and marketing expense increased by \$0.3 million, or 28.9%, to \$1.2 million for the three months ended March 31, 2016 compared with \$1.0 million for the three months ended March 31, 2015, primarily due to an increase in personnel expenses associated with headcount increases and an increase in bonus expense in addition to \$0.1 million in increased travel and entertainment expenses.

General and Administrative

General and administrative expense increased by \$0.2 million, or 19.3%, to \$1.0 million for the three months ended March 31, 2016 compared with \$0.8 million for the three months ended March 31, 2015, primarily due to an increase in personnel expenses associated with headcount increases and an increase in amortization expense associated with the intangible assets acquired from Skycross in December 2015.

Other Expense (Income)

Other income was less than \$0.1 million for the three months ended March 31, 2016 compared with \$0.2 million for the three months ended March 31, 2015. The net change in the warrant liability for the three months ended March 31, 2016 was \$0.1 million compared to \$0.2 million for the three months ended March 31, 2015. Interest expense increased to \$0.1 million for the three months ended March 31, 2016 compared to \$0.0 million for the three months ended March 31, 2015 primarily due to interest on \$4.0 million term loan entered in to in December 2015.

Comparison of the Years Ended December 31, 2015 and 2014

Sales

Total sales increased by \$2.3 million, or 9.0%, to \$27.8 million for the year ended December 31, 2015 compared to \$25.5 million for the year ended December 31, 2014. In August 2014, a device which accounted for \$3.2 million of our sales during the year ended December 31, 2014 reached the end of its lifecycle and was discontinued. This loss was offset by increases in other product sales. Total devices increased 29.4% from 26.7 million for the year ended December 31, 2014 to 34.6 million for the year ended December 31, 2015, primarily due to increase in average number of antennas per device from 2.50 in the year ended December 31, 2014 to an average of 2.53 antennas per device in the year ended December 31, 2015. Furthermore, an increase in overall demand in the in-home wireless set-top box market and carrier gateways and routers and the incorporation of our antennas in new products offset by the loss of sales as a result of products reaching the end of their lifecycle contributed to the increase in sales year over year. The average selling price per device decreased 17.0% from \$0.94 for the year ended December 31, 2014 to \$0.78 for the year ended December 31, 2015.

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Cost of Goods Sold

Cost of goods sold increased by \$2.0 million, or 14.3%, to \$16.1 million for the year ended December 31, 2015 compared with \$14.1 million for the year ended December 31, 2014 primarily due to an increase in product sales.

Gross Profit

Gross profit as a percentage of sales, for the year ended December 31, 2015 decreased by 2.7% to 41.9% for the year ended December 31, 2015 compared to 44.6% for the year ended December 31, 2014, primarily as a decline in average selling price per device not being fully off-set by lowered production cost per device.

Operating Expenses

Research and Development

Research and development expense increased by \$1.0 million, or 28.6%, to \$4.3 million for the year ended December 31, 2015 compared with \$3.3 million for the year ended December 31, 2014, primarily due to an increase of \$0.7 million in personnel expenses associated with an increase in headcount, an increase of \$0.1 million in rent expense, an increase of \$0.1 million in patent fees and an increase of \$0.1 million in depreciation expenses.

Sales and marketing

Sales and marketing expense increased by \$0.5 million, or 14.8%, to \$4.0 million for the year ended December 31, 2015 compared with \$3.5 million for the year ended December 31, 2014, primarily due to an increase of \$0.4 million in personnel expenses associated with headcount increases and an increase in bonus expense and \$0.1 million in travel and entertainment expenses.

General and Administrative

General and administrative expense increased by \$0.5 million, or 16.2%, to \$3.5 million for the year ended December 31, 2015 compared with \$3.0 million for the year ended December 31, 2014, primarily due to an increase of \$0.4 million in personnel expenses associated with an increase in headcount and an increase in bonus expense and \$0.1 million of costs related to the acquisition of the Skycross North American assets.

Other Expense (Income), net

The decrease in other income of \$2.7 million from the year ended December 31, 2014 as compared to the year ended December 31, 2015 was primarily related to the decrease in the fair market value of our warrants.

Liquidity and Capital Resources

We had cash and cash equivalents of \$4.0 million at March 31, 2016. Cash and cash equivalents consist of cash. We did not have any short-term or long-term investments.

Before 2013, we had incurred net losses in each year since our inception. As a result, we had an accumulated deficit of \$46.8 million at March 31, 2016.

Since inception, we have primarily financed our operations and capital expenditures through private sales of preferred stock, convertible promissory notes and cash flows from our operations. We have raised an aggregate of \$29.5 million in net proceeds from the issuance of our preferred stock and convertible promissory notes.

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As of March 31, 2016, we had approximately \$3.7 million outstanding under a term loan and approximately \$0.3 million outstanding under a growth capital term loan pursuant to our amended and restated loan and security agreement with Silicon Valley Bank. In addition, under our amended and restated loan and security agreement with Silicon Valley Bank, we have a revolving line of credit for \$3.0 million. As of March 31, 2016, there was no balance owed on the line of credit.

In December 2013, we amended our amended and restated loan and security agreement with Silicon Valley Bank to provide for growth capital term loans of \$750,000. The growth capital term loan required interest only payments through June 30, 2014 at which time it was to be repaid in 32 equal monthly installments of interest and principal. The growth capital term loan matures on February 1, 2017, at which time all unpaid principal and accrued and unpaid interest is due. The growth capital term loan interest rate is 6.5%. We must maintain a liquidity ratio of cash and cash equivalents plus accounts receivable to outstanding debt under the loan and security agreement of 1.00 to 1.00 or greater. The line of credit is available as long as we maintain a liquidity ratio of cash and cash equivalents plus accounts receivable to outstanding debt under the loan and security agreement of 1.25 to 1.00. If this liquidity ratio is not met, the line of credit will only allow for maximum advances of 80% of the aggregate face amount of all eligible receivables. The line of credit bears an interest rate of prime (4.0% as of December 31, 2015) plus 1.25%, and matured in April 2016. The lender has a first security interest in all our assets, excluding intellectual property, for which the lender has received a negative pledge. The amended and restated loan and security agreement contains customary affirmative and negative covenants and events of default applicable to us and any subsidiaries.

In December 2015, we further amended our amended and restated loan and security agreement with Silicon Valley Bank to include an additional term loan up to \$4.0 million. The additional term loan requires 36 monthly installments of interest and principal and matures on December 1, 2018. The amended and restated loan and security agreement requires that we maintain a liquidity ratio of 1.25 to 1.00 as of the last day of each month and a minimum EBITDA, measured as the last day of each fiscal quarter for the previous six-month period (for March 31, 2016 the minimum EBITDA is (\$350,000)). The interest rate of the additional term loan is 5.0%. As of March 31, 2016, \$3.7 million was outstanding on this additional term loan. We are in compliance with all of the financial covenants in the amended and restated loan and security agreement pertaining to the revolving credit line, growth capital term loan and the additional term loan as of March 31, 2016.

We plan to continue to invest for long-term growth, including expanding our sales force and engineering organizations and making additional capital expenditures to further penetrate markets both in the United States and internationally, as well as expanding our research and development for new product offerings and technology solutions. We anticipate that these investments will continue to increase in absolute dollars. We believe that our existing cash and cash equivalents balance together with cash proceeds from operations will be sufficient to meet our working capital requirements for at least the next 12 months.

The following table presents a summary of our cash flow activity for the periods set forth below:

	Years Ended		Three Months Ended	
	December 31, 2014	December 31, 2015	March 31, 2015	March 31, 2016
Net cash provided by (used in) operating activities	\$ 1,648,374	\$ 1,848,825	\$ (1,004,410)	\$ (853,055)
Net cash used in investing activities	(949,911)	(4,132,854)	(34,752)	(41,030)
Net cash provided by (used in) financing activities	104,008	4,029,197	(66,736)	(404,469)
Net increase (decrease) in cash and cash equivalents	802,471	1,745,168	(1,105,898)	(1,298,555)

Net cash used in operating activities was \$1,004,410 for the three months ended March 31, 2015. This was primarily a result of our net loss of \$57,500, a \$242,993 decrease in the warrant liability, and a change in

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operating assets and liabilities of \$967,751 offset by net non-cash operating expenses of \$263,834. Net cash used by operating activities was \$853,055 for the three months ended March 31, 2016. This was primarily driven by our net income of \$139,153, net non-cash operating expenses of \$237,671 offset by a decrease in the warrant liability of \$78,834 and a decrease in the change in operating assets and liabilities of \$1,151,045.

For the year ended December 31, 2014, the cash provided by operating activities of \$1,648,374 was primarily a result of net income of \$3,588,300 and net non-cash operating expenses of \$1,029,333, offset by a decrease in warrant liability of \$2,786,563, a gain of \$25,441 on the sale of certain fixed assets and a \$157,255 change in operating assets and liabilities. For the year ended December 31, 2015, the cash provided by operating activities of \$1,848,825 was primarily a result of net loss of \$270,342 and a decrease in warrant liability of \$100,470 offset by an increase in net non-cash operating expenses of \$1,080,583, and a \$1,139,054 change in operating assets and liabilities.

Net cash used in investing activities was \$34,752 and \$41,030 for the three months ended March 31, 2015 and 2016, respectively. Net cash used in the three months ending March 31, 2015 and 2016 consisted primarily of the purchase of property and equipment.

Net cash used in investing activities was \$949,911 and \$4,132,854 for the years ended December 31, 2014 and 2015, respectively. Net cash used in investing activities for the year ended December 31, 2015 consisted primarily of the cash used in the acquisition of certain North American assets of Skycross, Inc.

Financing activities in the three months ended March 31, 2015 used net cash of \$66,736 and consisted of the repayment of notes. Financing activities in the three months ended March 31, 2016 used net cash of \$404,469 for repayment of notes.

Financing activities in the years ended December 31, 2014 and 2015 provided net cash of \$104,008 and \$4,029,197, respectively. Financing activities in 2014 consisted of proceeds from notes payable and exercise of stock options off-set by repayment of notes and by the issuance of a note to an employee. Financing activities for 2015 consisted of proceeds from notes payable and exercise of warrants and stock options.

Contractual Obligations and Commitments

The following table summarizes our contractual obligations at March 31, 2016:

	<u>Total</u>	<u>Payments Due by Period(1)</u>			
		<u>Less than 1 Year</u>	<u>1-3 Years</u> (in thousands)	<u>3-5 Years</u>	<u>More than 5 Years</u>
Operating Leases					
Office leases	\$2,630	\$ 710	\$1,141	\$779	\$ —
Notes Payable(2)	3,942	1,220	2,722	—	—
Total	<u>\$6,572</u>	<u>\$ 1,930</u>	<u>\$3,863</u>	<u>\$779</u>	<u>\$ —</u>

(1) Table excludes \$1.4 million of uncertain tax positions. See Note (7) Income Taxes in the financial statements included elsewhere herein.

(2) Notes payable represents amounts outstanding under our term loan with Silicon Valley Bank.

We have entered into lease agreements for office space and research facilities in San Diego, California; Taipei, Taiwan; Shenzhen and Jiangsu, China; and Cambridgeshire, United Kingdom; under non-cancelable operating leases that expire at various dates through 2020.

We decreased our borrowing under our loan and security agreement to \$3.9 million during the three months ended March 31, 2016.

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We subcontract with other companies to manufacture our products. During the normal course of business, our contract manufacturers procure components based upon orders placed by us. If we cancel all or part of the orders, we may still be liable to the contract manufacturers for the cost of the components purchased by the subcontractors to manufacture our products. We periodically review the potential liability, and as of March 31, 2016, we have no significant accruals recorded. Our financial position and operating results could be negatively impacted if we were required to compensate the contract manufacturers for any unrecorded liabilities incurred.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements (as defined by applicable regulations of the Securities and Exchange Commission) that are reasonably likely to have a current or future material effect on our financial condition, operating results, liquidity, capital expenditures or capital resources.

Critical Accounting Policies and Significant Judgments and Estimates

Our management's discussion and analysis of financial condition and operating results is based on our financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported sales and expenses during the reporting periods. These items are monitored and analyzed by us for changes in facts and circumstances, and material changes in these estimates could occur in the future. We base our estimates on historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Changes in estimates are reflected in reported results for the period in which they become known. Actual results may differ materially from these estimates under different assumptions or conditions.

We have elected to use the extended transition period for complying with new or revised financial accounting standards available under Section 102(b)(2)(B) of the Securities Act of 1933, as amended. This election allows us to delay the adoption of new or revised accounting standards that have different effective dates for public and private companies until those standards apply to private companies. As a result of this election, our financial statements may not be comparable to companies that comply with public company effective dates.

While our significant accounting policies are more fully described in the notes to our financial statements appearing elsewhere in this prospectus, we believe that the following accounting policies are critical to the process of making significant judgments and estimates in the preparation of our financial statements and understanding and evaluating our reported financial results.

Revenue Recognition

We generate revenue from the sale of our antenna products. We recognize revenue when products are shipped and the customer takes ownership and assumes risk of loss, collection of the relevant receivable is reasonably assured, persuasive evidence of an arrangement exists, and the sales price is fixed or determinable. Title and risk of loss transfer to customers either when the products are shipped to or received by the customer, based on the terms of the specific agreement with the customer. We incur selling expenses to obtain design wins prior to revenue recognition, which is not a deliverable of a revenue arrangement.

A portion of our sales is made through distributors under agreements allowing for pricing credits and/or rights of return under certain circumstances. To date, pricing credits and returns under these provisions have been insignificant; accordingly, our allowance for sales returns and pricing credits was insignificant as of December 31, 2014 and 2015 and as of March 31, 2016.

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To date, services revenues have been immaterial as a percentage of total revenues. Service revenues are recognized ratably over the term of the agreement.

Stock-based compensation

We recognize compensation costs related to stock options granted to employees based on the estimated fair value of the awards on the date of grant, net of estimated forfeitures. We estimate the grant date fair value, and the resulting stock-based compensation expense, using the Black-Scholes-Merton option-pricing model. The grant date fair value of stock-based awards is expensed on a straight-line basis over the vesting period of the respective award.

We account for stock-based compensation arrangements with non-employees using a fair value approach. The fair value of these options is measured using the Black-Scholes-Merton option-pricing model reflecting the same assumptions as applied to employee options in each of the reported periods, other than the expected life, which is assumed to be the remaining contractual life of the option. The compensation costs of these arrangements are subject to remeasurement over the vesting terms as earned.

We recorded stock-based compensation expense of approximately \$657,730, \$341,554, \$150,571, and \$28,893 for the years ended December 31, 2014 and 2015, and the three months ended March 31, 2015 and 2016, respectively. We expect to continue to grant stock options and other equity-based awards in the future, and to the extent that we do, our stock-based compensation expense recognized in future periods will likely increase.

The Black-Scholes-Merton option-pricing model requires the use of highly subjective and complex assumptions, which determine the fair value of stock-based awards. If we had made different assumptions, our stock-based compensation expense, net loss and net loss per share of common stock could have been significantly different.

Our assumptions are as follows:

- *Fair value of our common stock.* Because our stock was not publicly traded prior to this offering, we estimate the fair value of our common stock. See “— Significant Factors, Assumptions and Methodologies Used in Determining Fair Value of Our Common Stock” below. Upon the closing of this offering, our common stock will be valued by reference to the publicly-traded price of our common stock.
- *Expected term.* The expected term represents the period that the stock-based awards are expected to be outstanding. Our historical share option exercise experience does not provide a reasonable basis upon which to estimate an expected term because of a lack of sufficient data. Therefore, we estimate the expected term by using the simplified method, which calculates the expected term as the average of the time-to-vesting and the contractual life of the options.
- *Expected volatility.* As our common stock has never been publicly traded, the expected volatility is derived from the average historical volatilities of publicly traded companies within our industry that we consider to be comparable to our business over a period approximately equal to the expected term. We intend to continue to consistently apply this process using the same or similar public companies until a sufficient amount of historical information regarding the volatility of our own common stock price becomes available, or unless circumstances change such that the identified companies are no longer similar to us, in which case, more suitable companies whose share prices are publicly available would be utilized in the calculation.
- *Risk-free interest rate.* The risk-free interest rate is based on the U.S. Treasury yield in effect at the time of grant for zero coupon U.S. Treasury notes with maturities approximately equal to the expected term.

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- *Expected dividend.* The expected dividend is assumed to be zero as we have never paid dividends and have no current plans to pay any dividends on our common stock.
- *Expected forfeiture.* We use historical data to estimate pre-vesting option forfeitures and record stock-based compensation expense only for those awards that are expected to vest. To the extent actual forfeitures differ from the estimates, the difference will be recorded as a cumulative adjustment in the period that the estimates are revised.

Significant Factors, Assumptions and Methodologies Used in Determining Fair Value of Our Common Stock

We are also required to estimate the fair value of the common stock underlying our stock-based awards when performing the fair value calculations using the Black-Scholes-Merton option-pricing model. Our board of directors, with the assistance of management, determined the fair value of our common stock on each grant date. All options to purchase shares of our common stock are intended to be granted with an exercise price per share no less than the fair value per share of our common stock underlying those options on the date of grant, based on the information known to us on the date of grant.

Because there has been no public market for our common stock, the fair value of the common stock that underlies our stock options has historically been determined by our board of directors based upon information available to it at the time of grant, including the following:

- contemporaneous valuations performed by a qualified, independent appraiser;
- our current and projected operating and financial performance, including our levels of available capital resources;
- trends and developments in our industry;
- the valuation of publicly traded companies in our sector, as well as recently completed initial public offerings and mergers and acquisitions of comparable companies;
- rights, preferences and privileges of our common stock compared to the rights, preferences and privileges of our other outstanding equity securities;
- U.S. and global economic and capital market conditions;
- the likelihood of achieving a liquidity event for the shares of common stock, such as an initial public offering or an acquisition of our company given prevailing market and sector conditions;
- the illiquidity of our securities by virtue of being a private company;
- business risks; and
- management and board experience.

Our business enterprise value was estimated using a combination of two generally accepted approaches: the income approach and the market-based approach. The income approach estimates enterprise value based on the estimated present value of future net cash flows the business is expected to generate over its remaining life. The estimated present value is calculated using a discount rate reflective of the cost of capital associated with an investment in a similar company and risks associated with our cash flow projections. Our discounted cash flow projections are sensitive to highly subjective assumptions that we were required to make each valuation date. The market-based approach measures the value of a business through an analysis of recent sales or offerings of comparable investments or assets, and in our case, focuses on comparing us to the group of peer companies. In applying this method, valuation multiples are derived from historical operating data of the peer company group. We then apply multiples to our operating data to arrive at a range of indicated values of the company. For each valuation, we prepared a financial forecast to be used in the computation of the value of invested capital for both the market approach and income approach. The financial forecasts took into account our past results and

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expected future financial performance. There is inherent uncertainty in these estimates as the assumptions used are highly subjective and subject to changes as a result of new operating data and economic and other conditions that impact our business.

If we had made different assumptions than those used, the amount of our stock-based compensation expense, net income (loss) and net income (loss) per share amounts could have been significantly different. Following the closing of this offering, the fair value per share of our common stock for purposes of determining stock-based compensation expense will be the closing price of our common stock as reported on the applicable grant date.

Based on the assumed initial public offering price of \$ _____ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, the intrinsic value of stock options outstanding as of March 31, 2016 would be \$ _____ million, of which \$ _____ million and \$ _____ million would have been related to stock options that were vested and unvested, respectively, at that date.

Preferred Redeemable Convertible Stock Warrant Liability

As of March 31, 2016, we had issued freestanding warrants exercisable to purchase shares of our Series G preferred redeemable convertible stock. These warrants are classified as a liability in the accompanying consolidated balance sheets, because the terms for redemption of the underlying security are outside our control. The warrants are recorded at fair value using a combination of an option pricing model and current value model under the probability-weighted return method. The fair value of all warrants is remeasured at each balance sheet date with any changes in fair value being recognized in the statement of operations. In May 2016, the warrants were amended such that the warrants became immediately exercisable into shares of our common stock. Concurrent with such amendment, the holders of the outstanding warrants elected to net exercise the warrants, and were granted an aggregate of 1,271,507 shares of our common stock. Following such net exercise, there will be no future re-measurement of the warrant liability.

Recently Adopted Accounting Standards

In March 2016, the Financial Accounting Standards Board, or the FASB, issued ASU No. 2016-09, Compensation — Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting, or ASU 2016-09. ASU 2016-09 simplifies several aspects of the accounting for sharebased payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. For public entities, ASU 2016-09 is effective for annual periods beginning after December 15, 2016, and interim periods within those annual periods. Early adoption is permitted. The Company is currently evaluating the impact the guidance will have on its financial statements.

In February 2016, the FASB issued Accounting Standards Update No. 2016-02, Leases (Topic 842), or ASU 2016-2, which requires lessees to recognize most leases on their balance sheets as lease liabilities with corresponding right-of-use assets. The new standard is effective January 1, 2019. We are evaluating the effect that ASU 2016-02 will have on our financial statements and related disclosures. We have not yet selected a transition method nor have we determined the effect of the standard on our ongoing financial reporting.

In November 2015, the FASB issued Accounting Standards Update No. 2015-17, Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes. This guidance simplifies the presentation of deferred income taxes by requiring that deferred tax liabilities and assets all be classified as noncurrent in a classified statement of financial position. The guidance is effective for fiscal years, and interim reporting periods within those fiscal years, beginning after December 15, 2016, with early adoption permitted. The Company does not expect the adoption of this guidance to have a material impact on its financial statements.

In September 2015, the FASB issued Accounting Standards Update No. 2015-16, Business Combinations (Topic 805): Simplifying the Accounting for Measurement-Period Adjustments. This guidance requires that an

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acquirer recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amounts are determined. The guidance is effective for fiscal years, and interim reporting periods within those fiscal years, beginning after December 15, 2015. The Company does not expect the adoption of this guidance to have a material impact on its financial statements.

In May 2014, the FASB issued Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers*, or ASU 2014-09, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The standard will replace most existing revenue recognition guidance in GAAP when it becomes effective. The new standard is effective for us on January 1, 2019. The standard permits the use of either the retrospective or cumulative effect transition method. We are evaluating the effect that ASU 2014-09 will have on our financial statements and related disclosures. We have not yet selected a transition method nor have we determined the effect of the standard on our ongoing financial reporting.

Qualitative and Quantitative Disclosures about Market Risk

Interest Rate Sensitivity

Our long-term debt bears interest at a fixed rate and therefore has minimal exposure to changes in interest rates. Our undrawn revolving credit facility under our loan and security agreement with Silicon Valley Bank bears interest at the U.S. prime rate plus 1.25%. If we draw funds from our revolving credit facility, we will be exposed to interest rate sensitivity, which is affected by changes in the U.S. prime rate.

Foreign Currency Risk

All of our sales are denominated in U.S. dollars, and therefore, our sales are not currently subject to significant foreign currency risk. To date, foreign currency transaction gains and losses have not been material to our financial statements, and we have not engaged in any foreign currency hedging transactions.

BUSINESS

Overview

Airgain is a leading provider of embedded antenna technologies used to enable high performance wireless networking across a broad range of home, enterprise, and industrial devices. Our innovative antenna systems open up exciting new possibilities in wireless services requiring high speed throughput, broad coverage footprint, and carrier grade quality of service. Our antennas are found in devices deployed in carrier, enterprise, and residential wireless networks and systems, including set top boxes, access points, routers, gateways, media adapters, and digital televisions. Through our pedigree in the design, integration, and testing of high performance embedded antenna technology, we have become a leading provider to the residential wireless local area networking, also known as WLAN or Wi-Fi, antenna market, supplying to leading carriers, Original Equipment Manufacturers, or OEMs, Original Design Manufacturers, or ODMs, and system designers who depend on us to achieve their wireless performance goals. We also develop embedded antenna technology for adjacent markets, including enterprise Wi-Fi systems for on premises and cloud-based services, and for small cellular applications using Long-Term Evolution, or LTE, and Digital Enhanced Cordless Telecommunications, or DECT, and high-performance designs for the in-building wireless market.

We have a strong reputation within the ecosystem of OEM, ODM and system designers and have multiple reference designs with the leading Wi-Fi chipset vendors. OEMs, ODMs, telecommunications and broadband carriers, and retail-focused companies rely on these reference designs and our engineering skills to deliver superior performance throughout the home and enterprise. We offer early design, custom engineering support, and superior over-the-air, or OTA, testing capability, and our design teams partner with customers from the early stages of antenna prototyping, throughput testing, performance and device integration to facilitate optimal throughput performance and fastest possible time to market. We view our chipset partner, OEM, ODM and carrier relationships as strategic components to our success. We use third parties to manufacture our products while maintaining oversight for critical test and calibration functions. We have 46 issued patents in the United States and 21 companion patents outside the United States, and 87 patent applications on file.

As wireless networking technology evolves, we are a market leader in fostering the transition to the use of more advanced WLAN devices. Both consumer and enterprise applications in the WLAN market are in a period of expansion driven by the global transition from the older 802.11n wireless standard to the new 802.11ac standard. 802.11ac is faster and requires a greater number of antennas per device, which imposes more advanced wireless system and antenna designs within an ever increasing device ID. Going forward, new wireless protocols, such as 802.11ax, will continue to push the throughput ceiling even further upward, increasing reliance on an optimal antenna system to enable performance as close to the theoretical maximum as possible. We have a broad range of embedded and external antenna solutions for WLAN routers and access points, and we are the industry expert in throughput optimized antenna solutions for Wi-Fi applications. We have a proven history of working with OEMs and ODMs to integrate throughput optimized antenna solutions resulting in the industry's best Wi-Fi performance. Our enterprise WLAN solutions help to meet the industry challenge of requiring a consistent and improved throughput experience.

We have approximately 330 antenna products in our portfolio. We shipped approximately 87 million antenna products worldwide in 2015 enabling approximately 34 million devices. During that period, we supplied our products to carriers, OEMs and ODMs in the United States, Europe, Canada and Asia, including Actiontec Electronics, Inc., ARRIS Group, Inc., Belkin International, Inc., DIRECTV, LLC, EchoStar Corporation, Huawei Technologies Co., Ltd., Pace plc, Sagemcom SAS and ZTE Corporation, among others. We have achieved significant growth in our business in a short period of time. From 2011 to 2015, our sales have grown from \$10.0 million to \$27.8 million, while our net loss has decreased from a net loss of \$5.1 million in 2011 to a net loss of \$0.3 million in 2015. For the three months ended March 31, 2016, our net income was \$0.1 million.

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Industry Background

The most common form of wireless network access technology is Wi-Fi, short for Wireless Fidelity. Wi-Fi is a standard established by the Institute of Electrical and Electronics Engineers, or IEEE, known technically as 802.11. The Wi-Fi standard is “the most ubiquitous wireless connectivity technology for internet access,” according to ABI Research, a market intelligence firm. Over time, the 802.11 protocol has evolved to deliver higher rates of data throughput, requiring more sophisticated devices and data transmission equipment to achieve it. Initially, 802.11b at 2.4 GHz, or gigahertz, delivered data at 11 mbps, or megabits per second, followed by 802.11a at 5GHz and 802.11g at 2.4 GHz, each providing data at 54mbps. Subsequently, 802.11n was introduced at both 2.4 GHz and 5 GHz offering 300 mbps, and more recently 802.11ac entered the market offering bandwidth rated up to 1300 mbps on the 5 GHz band and 450 mbps on 2.4 GHz.

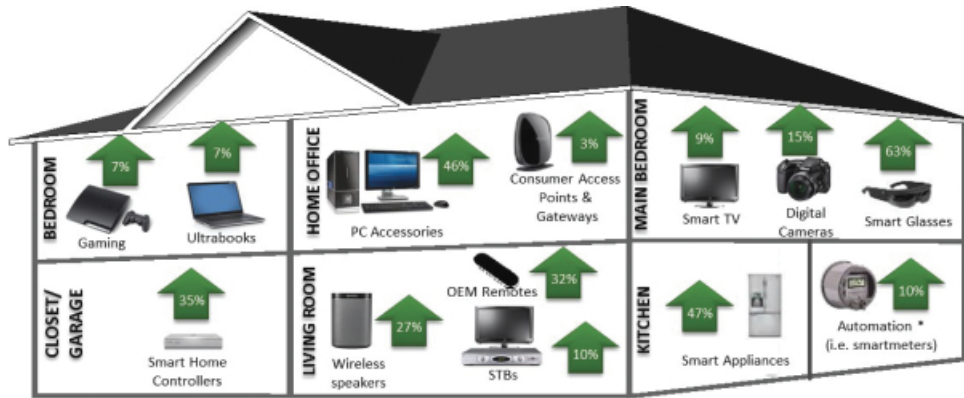
Wi-Fi enables devices to operate on a local area network, or LAN, or wide area network, or WAN, to connect to and access the internet and communicate with others without the use of cabling or wiring. It adds the convenience of mobility to the powerful utility provided by high-speed data networks and is a natural extension of broadband connectivity in the home and office. Wi-Fi was first utilized in applications such as computers and routers, and is now commonly embedded into everyday electronic devices, such as printers, digital cameras, gaming devices, smart phones, tablets and broadband access systems for video and data enablement. In addition, many new products are coming out with multiple wireless capabilities whereby Wi-Fi and other similar wireless protocols have become ‘must have’ features to extend a device’s basic utility. As an example, smart devices such as the Apple iPhone and Samsung Galaxy come equipped with Wi-Fi, Bluetooth and Near Field Communication, or NFC, functions, in addition to traditional cellular functions. Each of these represents a separate radio technology, and each radio requires different antenna solutions to provide an optimal user experience.

Wireless technology has grown rapidly. When it was first introduced to the mass market in the United States in the mid-1980s, the primary application was analog cellular phone voice services. However, wireless has rapidly evolved as the shift to digital and Internet Protocol ramped up and the explosion of ubiquitous broadband connectivity was born. The rapid growth of internet applications, websites and media opportunities has given consumers unlimited uses for wireless devices including managing e-mail, online browsing and shopping, and running applications for business, personal productivity, and entertainment and media while on the go. Carriers and enterprises have also realized the economic benefits of wireless connectivity to enable efficient delivery of premium content and internet services in the home, enterprise and mobile. Over the past decade, wireless technologies such as cellular and Wi-Fi have emerged as mainstream networking platforms to connect people and data via devices. According to the Cisco Visual Networking Index, or the Cisco Report, there were approximately 7.9 billion mobile connected devices in 2015—1.1 for every person on Earth. By 2021, there are expected to be approximately 11.6 billion mobile-connected devices, representing nearly 1.5 mobile devices per person on Earth.

Opportunity in the home and enterprise

The Wi-Fi market is continuing to grow rapidly as the technology is adopted across a wide variety of markets, including consumer, mobile, automotive, and emerging markets such as machine to machine, or M2M. The increase of in-home wireless devices in security and remote monitoring, lighting, HVAC, and entertainment has helped drive the embedded antenna market. According to ABI Research, the number of Wi-Fi-enabled device shipments, excluding cellular and personal computers, is expected to exceed 1.3 billion devices annually by 2021, representing a 13% compound annual growth rate, or CAGR, in this market for the period from 2016 through 2021. The list of antenna applications within in-home devices is seemingly endless, including access points and wireless extenders, routers, residential gateways, set-top boxes, media adapters, smart televisions, smart remotes, printers, gaming consoles, wireless speakers, wireless cameras and home automation systems and nodes.

Wi-Fi Enabled Shipments CAGR 2016 to 2021



Sources: ABI Research Wi-Fi Market data, Q2 2016. * Represents 2014 to 2019 CAGR, Source Markets & Markets

We are seeing solid growth in the number of wirelessly-enabled device shipments in several of our key markets. According to ABI Research, the market for consumer access points and gateways worldwide is expected to increase from 173 million device shipments in 2015 to 199 million in 2019. In the same period, the number of set-top boxes shipped is expected to grow from 71 million to 91 million, and the number of smart TV's shipped from 94 million to 146 million, a CAGR of 12%.

Mirroring this growth, according to ABI Research, global Wi-Fi hotspots, such as those found at enterprise locations like coffee shops, airports or in corporate offices, are forecasted to continue to expand at a CAGR of 11.2% from 2015 to 2020. The number of Wi-Fi hot spots in use was 4.2 million in 2013, 5.69 million in 2014, and is expected to top 13.3 million by 2020, according to estimates published by ABI Research in 2015. Wi-Fi hotspots are increasingly being deployed by mobile and fixed-line carriers, as well as third-party operators, as a means of offloading 3G/4G data users to Wi-Fi networks.

Trends driving demand for high-performance antenna solutions in wireless devices

The demand for smart phone, tablet, laptop and notebook connectivity in the home and enterprise is robust. Whereas families often shared a single computer and internet connection in the 1990's, ubiquitous wireless connectivity throughout the home is available today via carrier gateways that enable Internet access and media distribution to multiple smart phones, fixed and mobile computing devices and smart TVs that share the same broadband data connections. Wireless access enables mobility and the potential sale of additional services by telecom, cable, and satellite broadcast companies and does not require the time and cost for cabling. Additionally, the demand for over-the-top, or OTT, audio and video services from the Internet is strong as families enjoy free or paid content subscriptions to sites such as Netflix, Apple TV, Amazon Prime, Pandora, YouTube, and many others on a 24/7 basis. Our business opportunity has been driven by the rapidly expanding market for embedded antenna solutions for in-home wireless data and video connectivity products. Wi-Fi has emerged as the key wireless technology for delivering media services in the connected home of smart devices. According to the Cisco Report, globally, in 2015, a smart device generated 14 times more traffic than a non-smart device, and by 2020 a smart device is estimated to generate nearly 23 times more traffic. Furthermore, the Cisco Report also anticipates that smart device traffic will grow at a CAGR of 53% from 2015 to 2020.

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Wireless networking has also become mission-critical for businesses, schools, and governments to keep constituents connected. As more applications become cloud-enabled (meaning stored or run from servers in a data center), access to these services becomes even more ubiquitous. Municipalities have also begun to offer free Wi-Fi services to citizens in public access locations. Some of this public access Wi-Fi is also served by the larger telecom and cable carriers. As Wi-Fi standards have gone from 802.11b/g to 802.11n, and more recently 802.11ac, the ability to access standard and high definition video over Wi-Fi becomes meaningful and drives demand. Carriers have been challenged to meet the requirements of the new high-bandwidth video and data applications. With current high-performance Wi-Fi, carriers can eliminate video cables, offering customers the ability to move their televisions to any point in the house and vastly reduce installation time and costs, as well as offer over the top, or OTT, services via broadband gateways that are accessible by any wireless device.

The increasing number of wireless devices that are accessing mobile networks worldwide is one of the primary contributors to global mobile traffic growth. Each year several new devices in different form factors and increased capabilities and intelligence are introduced into the market. With ever increasing smartphone penetration rates and a host of new devices such as M2M devices, tablets, netbooks, mobile internet devices, or MID, the growth for mobile broadband is at an all-time high and, according to the Cisco Report, is set to continue. The Cisco Report notes that global data traffic grew 74% in 2015, reaching 3.7 exabytes per month, up from 2.1 exabytes per month at the end of 2014. According to the Cisco Report, mobile offload exceeded cellular traffic for the first time in 2015. Overall mobile data traffic is expected to grow to 30.6 exabytes per month by 2020, an eightfold increase over 2015. Mobile data traffic is expected to grow at a CAGR of 53% from 2015 to 2020. According to the Cisco Report, 51% of total mobile data traffic was offloaded onto the fixed network through Wi-Fi or femtocell small cells in 2015. Globally, the total number of public Wi-Fi hotspots (including in-home Wi-Fi hotspots) is forecasted to grow sevenfold from 2015 to 2020, from 64.2 million in 2015 to 432.5 million by 2020. Total in-home Wi-Fi hotspots are forecasted to grow from 56.6 million in 2015 to 423.2 million by 2020. These trends are positive indicators for growth in our core Wi-Fi and femtocell small cell markets.

Both consumer and enterprise applications in the WLAN market are in a period of expansion. Growth is due to WLAN expansion in emerging markets as well as a global transition from the older 802.11n wireless standard to the new 802.11ac standard. The 802.11ac standard provides much higher throughput rates and introduces multi-carrier technology requiring more antennas per device. 802.11ac devices can support up to eight Wi-Fi antennas, doubling the current average of four antennas per device under 802.11n standards. Wireless enabled in home devices are becoming increasingly complex as they evolve with industry technology trends, such as, 802.11ac higher order Multiple Input, Multiple Output, or MIMO, and Multi-User MIMO, or MU-MIMO, Wi-Fi architectures, while adding support for additional wireless connectivity systems, such as ZigBee Pro, ZigBee RF4CE, Z-Wave, and Bluetooth, to keep pace with the increasingly complex ecosystem of devices that seek connectivity within the home. Going forward, support for new and additional wireless protocols is likely to drive the antenna count up to 10 to 12 antennas per device.

Technology Challenges to Delivering on the Potential of Wireless

Our antenna solutions enable carriers and device OEMs and ODMs to meet their wireless connectivity performance requirements and to rapidly expand their footprint of products supporting Wi-Fi as well as the evolving network of connected home and the Internet of Things, or IoT, wireless connectivity applications. We develop our own antennas for a broad range of applications and technologies, including: 802.11 a/b/g/n/ac, LTE, DECT, LPD (433MHz RF remote), Bluetooth, ZigBee and Z-Wave. In addition, we have expertise in the testing and benchmarking of wireless systems and devices. To satisfy the rapidly evolving technology needs of the industry, we have remained on the leading edge of next generation development by providing solutions for MIMO, MU-MIMO, short range wireless technologies, beam forming, and active antenna technology.

As the number of wireless standards and antennas per device increases, the technical challenges for the antenna system increase, such as co-existence and isolation. With our unique and innovative integration

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technology, we have developed ways to integrate additional antennas for optimal antenna performance while minimizing the effects on isolation. Particularly with MIMO 4x4 and MIMO 8x8 technology, we are able to achieve the highest output and performance of Wi-Fi 802.11 ac/n, reliability, range, and coverage, with our role in optimal beam forming.

Given increasing capacity demands on wireless networks, the wireless industry continually searches for new means of utilizing more efficient radio resources. Active antenna systems utilize the full potential of radio sources by integrating onboard amplifiers for reductions in cable attenuation. We are able to integrate antennas in arrays designed for individual element activation based on which elements deliver the signals to the clients most effectively. By manufacturing antennas that possess the capabilities to support new wireless technologies, we are able to meet current market demands for versatile antenna designs.

Our Antenna Design, Engineering and Integration Process

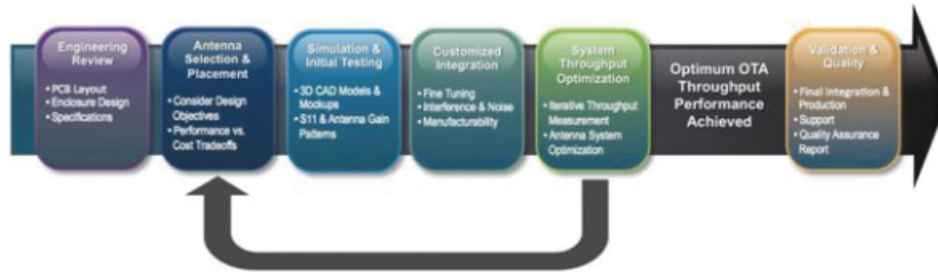
We are an antenna solution provider optimizing antenna systems for maximum system device OTA throughput performance as an integral step in the antenna system design process, enabling the best possible throughputs for devices in their native application. Common antenna industry practice is to design antennas exclusively within a passive environment, using simulation tools based on the assumption of free space. The modern in-home environment is a highly complex multipath environment that is not accurately represented by antenna simulation tool modeling. We design all our antenna systems for in-home applications using a combination of device and environment modeling, with active antenna OTA throughput performance feedback, providing our customers high device throughputs in their intended in-home or in-office environment.

The core focus of our proprietary antenna integration process remains performance optimization across factors that affect end users. Throughput, reliability, and cost represent three key metrics for optimization. We have been designing and evaluating wireless antenna solutions for 802.11-based WLAN devices since our inception in 2004. We have gained industry-leading expertise in the testing and evaluation of wireless systems to determine relative performance differences between devices, and have developed a proprietary set of performance metrics, measurement methodologies, and test conditions to enable measuring and predicting the relative performance of 802.11-based WLAN devices and networks at the component and application level. These simulations form the foundation of the integration process that optimizes overall device performance, as well as antenna characteristics.

There are many and varied challenges to integrating the optimal antenna system for maximized wireless performance for a device. Every aspect of the device design impacts the performance of the antenna system and ultimately the device itself. We work side by side with our customers as trusted advisors during the design process providing system level design feedback and support from the inception of a project through to the successful validation of the final product, ensuring reduced design cycles and the best possible performance outcome. We are proficient at identifying wireless performance impacting factors down to the board-level design details, including on-board noise and radio interference sources, coupling via onboard components, to constraints in the industrial design itself, such as horizontal and vertical orientations, internal structure layout and materials, and space limitations for antenna placement. All of these factors can negatively influence the performance of an embedded antenna system and can lead to de-tuning, coupling, sub-optimal gain patterns, and loss of gain, efficiency reduction and ultimately poor system performance.

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Our antenna designs and integration methods are mindful that Quality of Service, or QoS, is the backbone of any successful communication network within a home or enterprise. Demand for wireless streaming 4K and Ultra-high definition, or UHD, video is requiring more sophisticated antenna system designs to support a high quality end user experience free from errors in frame rendering, pixilation, and buffering delays and glitches. While the performance of the underlying chipset and firmware lays down the foundation, the optimally integrated antenna system is a key system component and is usually the key enabler of throughput and coverage differentiation between competing devices.



Our engineers provide custom support in the areas of antenna system design and simulation, rapid prototyping, integration and testing. Our engineers work directly with customers (typically OEMs and/or ODMs) to evaluate performance-impacting factors when developing the optimal antenna solution for each device and application. Antenna-specific characteristics, such as gain, efficiency, and coupling, are considered during the design process in conjunction with board-level factors, such as on-board noise and radio interference, together with industrial design and housing constraints.

We engage with customers in the early stages of a program before prototype tooling is available, utilizing 3D CAD models and/or physical mockups of our customers' devices to simulate and measure the interactions, providing valuable feedback for the device design enhancement. During prototyping, sample devices are tested to generate more precise measurements. These measurements are carried out in our anechoic radio frequency, or RF, chambers, including our Satimo SG 24 antenna measurement system located at our San Diego headquarters. The chamber environment provides a broad dynamic range for antenna measurements, enabling wireless performance testing for a wide range of protocols including LTE, IEEE 802.11 standards including ac, ah, af, GPS, ZigBee, Z-Wave and GPS. While other antenna design companies may select a final antenna based only on passive testing, our process includes the key additional step to measure and optimize the actual system-level throughput and coverage performance through our proprietary iterative design feedback process. This process considers firmware stability, system noise, and interference, as well as antenna performance, to provide an "Airgain Optimized" solution.

We partner with and supply the largest blue chip brands in the world, including OEMs, ODMs, chipset makers, and global operators. Through our close working relationships with the leading chipset makers for the WLAN, we have developed a significant level of expertise in the testing and evaluation of chipset reference designs and systems enabling the relative performance benchmarking between devices. To satisfy the rapidly evolving technology needs of the industry, we have remained on the leading edge of next generation development including solutions for MIMO, MUMIO, beam forming, and active antenna systems.

Our design and integration process is summarized as follows:

- **Engineering Review.** When a new product is initiated, our engineers review antenna-specific characteristics, such as gain (throughput), efficiency, and coupling, alongside board-level factors, such as on-board noise and radio interference, as well as identification and housing constraints. We launched our proprietary AirMetric Wi-Fi performance modeling solution in January 2014, which can be used to identify the optimal

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antenna solution in the earliest design stage by analyzing a combination of passive simulation measurements. Suggestions for modifications to the system level design that would improve performance are provided to the customer during engineering review or after running AirMetric. Such suggestions typically address mechanical changes to the design housing, movement of components that will negatively impact performance, and shielding of RF interference sources. When employed during early stage product design, AirMetric helps ensure peak performance before devices are built, as well as time and cost savings related to product development.

- *Antenna Selection and Placement.* Our engineers select several antennas that are best suited for the particular application based on a large stable of existing antenna designs from previous efforts, modifications to these prior designs as well as new, full custom designs for particular devices, coupled with the industrial design of the product, the engineer also selects candidate placements that are used in the initial simulation and placement phase. Our extensive experience in this step narrows the possible solutions to only the most promising candidates for detailed simulation and measurement.
- *Simulation and Initial Testing.* Finite element simulations of the antennas in the enclosure are then used to understand the complex interaction of the antennas with the structures within the product. These interactions have a profound impact on the operation of the antenna system and understanding them is key to providing optimal solutions. When we engage in the early stages of a program before prototype tooling is available, 3D CAD models and/or physical mockups of the device are used to simulate and measure these interactions. When the project progresses to the prototype stage, actual prototype devices are tested to generate even more accurate measurements. These measurements are carried out in one of four RF chambers, including our Satimo SG 24 antenna measurement system at our San Diego headquarters, which provides a high dynamic range in antenna measurements that enables us to test wireless performance for a wide range of protocols including LTE, IEEE 802.11n, and IEEE 802.11ac Wi-Fi standards. While our competitors select a final antenna based on RF chambers testing, we proceed with a critical further step and measures actual system level performance of the device in an iterative process to optimize performance. This iteration considers firmware stability, system noise, and interference, as well as antenna performance, to provide an “Airgain Optimized” solution.
- *Final Integration.* Prior to OTA throughput testing, a final review of the design is conducted to review for cable routing for manufacturability and noise reduction. Mounting methods from our designed clip structures to tape mounting are reviewed for ruggedness and ease of assembly in volume production. Finally, any fine tuning of the cable routing, antenna parameters or other features is conducted before releasing the design for final testing and optimization with OTA throughput testing in actual real use case testing.
- *Validation and Reporting.* Upon completion of the design, a summary report is provided detailing the antenna selection, overall performance results and key observations, integration recommendations and detailed test results for each wireless system characterized. As the design moves to production, our product integration engineers serve as the technical interface between the antenna design team and the customer’s production team to validate and ensure product quality and reliability during high volume manufacturing.

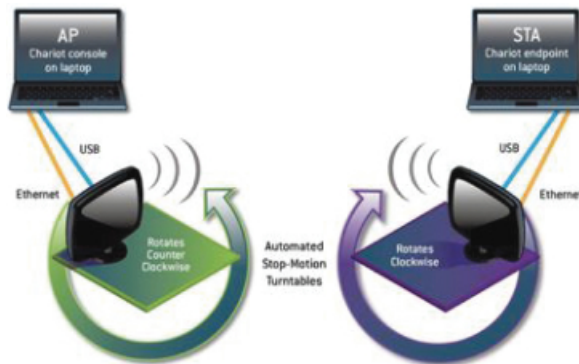
Our over-the-air throughput testing

We have been designing and evaluating wireless antenna solutions for 802.11-based wireless LAN devices since our inception in 2004. We have developed a set of proprietary performance metrics, measurement methodologies, and automated test conditions to enable accurate and repeatable characterization of the relative OTA performance of 802.11-based WLAN devices from routers, gateways, and set-top boxes, to TV sets. Our benchmark testing provides an accurate assessment of the performance characteristics for devices to enable manufacturers to make informed decisions in selecting the best antenna solution for their needs.

We have developed a proprietary hardware and software solution using stop-motion turntables to measure effective throughput of competing antenna solutions. This technology, illustrated below, enables the capture of

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thousands of data points at each location and ensures accurate and repeatable results. This throughput-focused testing provides repeatable comparisons of metrics that our customers value above antenna specific measurements alone. Our OTA test process utilizes industry standard measurement tools and our proprietary implementation of the IEEE 802.11.2 Draft Recommended Practice for the Evaluation of 802.11 based Wireless Performance. Our proprietary OTA testing process has been established as the de facto industry standard for wireless throughput testing.



We have developed a well-defined set of antenna engineering and integration steps to find the optimum antenna solution within any design constraints. Each customer design is put through a series of distinct Access Point to Client device link tests to measure the average uplink and downlink throughput at each link. Multiple independent, unique AP/Client locations are selected to provide relative throughput test results in high, medium, and low throughput environments. Continual feedback to our customers across the spectrum of system performance (noise, firmware, OTA performance) leads to an optimized design.

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Our regional OTA testing facilities are configured to replicate the real-world performance in typical homes and offices, while providing isolation from external RF and wireless interference. This low noise environment is key when comparing and identifying the effect of various antenna and system designs on wireless throughput performance. We have multiple dedicated test sites located in the vicinity of our development locations in San Diego, California, Cambridge, United Kingdom, Taipei, Taiwan, and Shenzhen, China. These test environments allow extended length testing of our antenna solutions at up to 200 feet separation of access point and station. The combination of proprietary testing methods, dedicated test facilities, thousands of hours of test data, experience with hundreds of devices and antenna simulation techniques, have enabled us to provide higher-performance antenna solutions across multiple product platforms as compared to competing antenna systems.

Typically our proprietary integration process goal is to achieve a significant performance improvement over competing antenna solutions – providing a performance advantage that enables more robust wireless connectivity solutions for our customers. In a recent example, where we upgraded a commercially available 55” flat screen smart television with Airgain technology, we increased the probability of the television supporting a wireless (Wi-Fi) 4K UHD content video stream connection (4K UHD requires uplink capacity in the range of 25-50 mbps) by up to 100% using our in-house testing process.

Benefits of our Technology

We continuously ensure that we remain at the forefront of wireless technologies by manufacturing the highest quality and most innovative products, as well as developing new integration processes to produce optimal antenna performance.

Benefits to our customers

We have developed strong relationships with leading WLAN chipset vendors, OEMs, and key service providers in the home networking space, keeping us at the forefront of new developments in wireless technologies and industry requirements. We share our expertise with customers in several areas including design, engineering, and testing. Because of our focused business, we can offer insight into problems and develop solutions based on knowledge gained from the release of approximately 330 unique antenna product SKUs to customers. By harnessing our specialized experience and expertise, we offer solutions that can improve our customers’ product performance, reduce their staff costs and allow our customers to focus on non-antenna related factors in the face of short design, engineering and production windows. Rather than rely upon a captive engineering group that only works on in-house opportunities, we act as an outsourced antenna design, engineering, and test group for our customers.

We have also entered into joint development agreements with WLAN chipset vendors to collaborate on next-generation WLAN reference designs. Under these agreements, we have agreed to jointly pursue the development of reference design platforms optimized for use with integrated embedded antenna systems. These WLAN reference designs are intended to provide ODMs with high-performance, embedded antenna solutions from us that provide consistent, measureable results and provide a path to reduced product development costs and cycle times.

Benefits to Wireless Users

By focusing on performance, we strive to improve product satisfaction with customers. Often, competing makers of wireless devices use chips that are made by the same semiconductor manufacturer. Antenna reliability depends on numerous factors including material, mount position, physical connection and resistance to oxidation. However, the selection and placement of an antenna, or antennas, can change the performance characteristics measurably. Each sale of an antenna solution is customized according to the needs and requirements of the customer. Tradeoffs exist on placement, power, price, and other variables. By focusing on performance, we look to engineer and deliver the optimal solution given the customer’s product constraints. This commitment to

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performance has established us as one of the recognized leaders in the design, testing, and performance of wireless systems, and led to what we believe is one of the broadest blue chip customer lists in the industry.

Our Products

Our antennas are found in end-user devices that are deployed in carrier, enterprise, and residential wireless networks, including WLAN, access points, routers, residential gateways, set-top boxes, media adapters, and digital televisions. Our products have been adopted by some of the world's leading telecom manufacturers and networking companies and are now being used by millions of carrier subscribers in the United States, Canada, Europe, and Asia. Designed for use in wireless access points, routers, gateways, set-top boxes, and media systems, we offer six core product lines designed to maximize the performance of wireless devices while providing cost and design flexibility:

MaxBeam High Gain Embedded Antennas. MaxBeam™ High Gain Antennas utilize patented beamforming technology to deliver up to double signal strength and receive more sensitivity than conventional antenna solutions. The superior performance is derived by combining the benefits of high gain directional antenna elements with high isolation between each beam. Each antenna utilizes mixed material, integrated multi-element assemblies to provide optimal performance and turnkey integration. The MaxBeam antenna family offers maximum coverage designed for WLAN and Cellular/LTE frequency bands. Single-, dual-, tri-band and concurrent radio, as well as switched Smart Antenna options are available.

Profile Embedded Antennas. Profile Embedded Antennas feature highly efficient printed circuit board, or PCB, based solutions offering low profile designs optimized for confined industrial designs. Ideal for embedded applications requiring integration flexibility, the Profile family includes case, through-hole, and SMT mount designs and is available in single-, dual-, and tri-band applications.

Profile Contour Embedded Antennas. Profile Contour Embedded line utilizes Flexible Printed Circuit Board, or FPC, providing performance with device integration flexibility. Flexible and very low profile, these antennas can conform to many two-dimensional shapes making them ideal for integration within curved enclosures and wearable devices. Profile Contour antennas are supplied pre-fitted with adhesive tape for ease of integration.

Ultra Embedded Antennas. The Ultra line of embedded antennas has been designed for lower cost, embedded applications. The stamped metal design allows for rapid customization and tuning to each device, making them ideal for embedded applications requiring integration flexibility. The Ultra line is ideal for very high volume applications, and they utilize superior materials and plating to ensure optimal performance and extended life. The Ultra line is available in cabled and PCB mount designs, for single- or dual-band/feed operation.

OmniMax High Performance External Antennas. Our external dipole antennas are designed for indoor and outdoor WLAN applications. With an extensive variety of single- and dual-band designs available, this family of dipoles offers superior performance and flexible mounting options for various deployment scenarios including Prosumer level devices. They have a very high efficiency and omni-directional gain characteristics across 2.4 and 5 GHz bands to provide optimal coverage for maximum throughput and range.

MaxBeam Carrier Class Antennas. We have developed a series of multi-band LTE and WLAN antennas for small cell systems including Femtocells, Picocells, Wi-Fi hotspots, Wi-Fi backhaul, and community Wi-Fi systems, providing increased range and coverage. These embedded antennas have been designed for indoor or outdoor applications demanding Carrier-grade service levels, where complex issues such as coexistence and isolation between wireless standards in close proximity need to be tightly controlled. Maxbeam Carrier Class antennas achieve the best performance in the smallest possible form factor to minimize the urban landscape footprint.

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These antenna product lines are incorporated into an array of devices varying in purpose, as seen in the chart below. In addition, we have a strong patent portfolio and technology in the area of switched multi-beam antennas and dynamically optimized smart antenna systems that would allow us to move into the enterprise class market for Wi-Fi hotspots and small cells, or low-powered radio access points.



Design Partnerships

Our collaborative relationships with 802.11 chipset vendors offer opportunities for market access and improved sales of both chipsets and antennas. Early access to chipset vendors' offerings, including industrial design tradeoffs in enclosure, board layout and design, all offer chipset vendors the advantage of optimized performance in their reference designs. When our antennas are consequently listed in the reference bill of materials for the major chipset vendors' products, these antennas become the default performance recommendation for all products utilizing that chipset. Ongoing contact with the OEM's and ODM's, along with default use of the reference bill of materials components specified by chipset vendors, generates a dependable flow of sales opportunities for us.

Smart Antenna Technology

While we believe our embedded antenna solutions provide significant performance improvement over competing antenna products and meet the demand of today's market, the need for even better wireless coverage in home networks continues to grow. Wireless video offerings from service providers are becoming more commonplace, and next generation technologies require ever increasing data speeds, bandwidth and coverage to meet rising consumer expectations.

There are basically two ways to improve the data transfer speed in wireless networks: improve the efficiency of encoding the data on the wireless carrier signal, or reduce the need to re-transmit data to make up for poor reception. Improving the encoding efficiency requires a change in the protocol standard, which occurred when the industry transitioned from 802.11b/g/a standard to the 802.11n standard, and continues to occur today, such as with the recent transition to the new 802.11ac standard. However, there remains a fundamental relationship between the quality of the wireless signal, and performance, and the amount of information any signal can carry.

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To improve signal quality, we have developed our smart antenna technology, which serves as a very effective way to direct radio wave energy and point this focused energy in a chosen direction. This focused energy is then harnessed to improve data communication in wireless networks through a set of proprietary algorithms implemented in software and firmware that can greatly enhance the range and data throughput performance versus conventional solutions. All of the algorithms operate within the standardized protocols for 802.11 networks and are fully compatible with existing products on the market.

The improved antenna performance of our smart antenna system is based on combining the benefits of multiple antennas with self-adaptive automatic antenna switching. Our patented antenna tuning process is very rapid and is applied automatically both to receiving and transmitting functions. This same control method can be used with many different physical antenna configurations, and allows our antennas to achieve greater performance than conventional solutions. Our patented Smart Antenna technology is very effective at improving the signal quality of WLAN connections. These smart antennas are optimized to receive signals from single or multiple antenna element systems, dynamically and in real time selecting the optimal configuration maximizing the performance of any given data transmission.

Our Smart Antenna switching algorithms can be applied to almost any type of antenna structure. Our Smart Antenna algorithms power intelligent switching between elements in multi-element antenna systems, however the technology can equally be applied to single element smart antenna systems whereby switching can be used to dynamically re-configure antenna patterns to maximize throughput and coverage for a given environment.

Our switched smart antenna solution focuses on delivering improvements in several key areas:

- *Quality of service.* Delivering consistent bandwidth for real-time demands of video distribution or Voice over Internet Protocol, or VoIP, streaming content to tablets and other mobile devices.
- *Extended range.* The ability to reliably connect devices at the maximum extent of the device.
- *Interference avoidance.* The proliferation of Wi-Fi has led to considerable levels of RF interference. Smart “agile” antenna systems dynamically avoid interference sources and allow maximum throughput.
- *Per client optimization.* Our Smart Antenna solutions are capable of analyzing individual client throughput, optimizing the antenna directionality and enhancing the throughput to individual clients.

We have a history of over 10 years of innovation in beamforming and smart antenna technology for the wireless networking market. We designed and patented some of the first commercially shipping smart antenna solutions for WLAN, and we continue to ship smart antenna systems today. We own a comprehensive portfolio of patents covering smart and embedded antennas, including smart antenna selection and switching. Our intellectual property, or IP, portfolio centers on antenna design and performance, and includes 67 issued patents and 87 pending patent applications covering smart antenna hardware and software solutions for Wi-Fi, LTE and MIMO applications.

We see growing opportunities for our Smart Antenna technology in the enterprise access point market and have developed antenna systems for both 802.11n and 802.11ac implementations. We provide hardware solutions to OEMs and consult with customer software teams to realize these benefits with software implementations ranging from a light application that delivers most of these benefits to a fully integrated software solution that maximizes the benefits of smart switching.

Our Growth Strategy

We continue to expand our product solutions and technology offerings and enter into new market segments within the home networking market. In our core carrier gateway and set-top box market, the transition to the 802.11ac standard continues to be a key driver to penetrating the market with our new antenna solutions. The

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shift toward Gigabit Wi-Fi 802.11ac is in the early stages and is creating increased demand for our solutions as the number of antennas per device increases substantially.

We plan to continue to drive into product segments outside our core home networking area, including growing opportunities in the enterprise AP, home security, smart TV, medical, and telematics markets. We plan to penetrate an increasing scope of target adjacent in-home wireless device applications such as home security, smart appliances, waterproof and solar outdoor wireless systems, as well as expanding our footprint in new markets for related antenna technologies such as enterprise, LTE, Bluetooth, ZigBee, and machine to machine, or M2M, applications. We have recent project wins and new customers in adjacent markets such as security cameras, smart remote controls, smart TVs, and sound bars and we anticipate continued growth of our share in these markets in the upcoming years.

The global smart TV market is expected to grow at a rate of over 30% over the coming years, driven by thinner, larger, curvier, brighter, and ever higher definition displays packed with bandwidth-hungry applications. There is an industry trend for the set-top-box/cable and OTT device function to move into the TV overtime that is making high performance wireless connectivity increasingly relevant for smart TVs. Consumers expect error free wireless 4K and UHD streaming to their smart TV's which demands optimal performance Wi-Fi. We are experiencing a tremendous uptick in demand for antenna systems for 4K and UHD display TVs. As a key supplier to these next generation TVs, we are constantly developing new antenna solutions and shipping millions of integrated antenna systems for this segment per year. The favored location of antennas for these devices has traditionally been the edge of the screen bezel, however these existing locations for antennas are disappearing as the width of the screen bezel narrows to enable a wider viewing area, therefore new antenna systems and locations are needed to obtain optimal performance. We have experience designing and integrating antenna systems for large smart TV's with optimal front of screen Wi-Fi coverage while providing the highest possible throughput performance.

The connected home market has seen an explosion of automation services and broadband-connected devices, making the demand for increased bandwidth and reliable connectivity more critical than ever before. We have created solutions for the quickly evolving home security market, including security gateways, window and door sensors, wireless keypads, and surveillance cameras. Our engineering team provides custom antenna solutions to support a variety of device constraints, including flexible antenna technology for curved and smaller form factors. We provide IP alarms and security camera solutions for one of the world's leading providers of video surveillance products.

We have developed a series of multi-band LTE and WLAN antennas for small cell systems including Femto cells, pico cells, Wi-Fi hotspots, and community Wi-Fi systems, providing increased range and coverage. Designed for indoor and outdoor implementations, our small cell antenna designs provide high-gain, high-performance solutions for multi-frequency and multi-mode network deployments. This includes several designs based on our patented smart antenna technology that delivers increased coverage and operational stability. Our customized small cell antenna systems address a new and growing market opportunity outside of the core in-home area. This market is characterized with lower unit volumes, and higher antenna sell prices compared to the in-home antenna market.

We offer a comprehensive set of services for single- and multi-client Wi-Fi performance testing, characterization, and validation for wireless devices utilizing advanced MIMO configurations and technologies including WLAN, Bluetooth, ZigBee, Z-Wave, and more. Our service offering includes early stage system design, custom engineering support, and superior OTA testing services for service providers and OEMs. Our proprietary OTA testing process has established itself as the de facto industry standard for wireless throughput enabling our service offering to create stickiness with customers as they depend on our testing services. We believe there is significant potential for growth of our service offering revenue, including through renewable service provider service contracts, and to further leverage this offering to customers and applications in adjacent markets.

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We are planning to develop a new software product platform called Wi-Fi Assist, that will provide an intuitive embedded and cloud-based application for wireless device installation and diagnosis, targeting major providers of residential in-home data and media services, including carriers such as AT&T and Comcast. Feedback from our carrier customers has revealed there is a significant gap in this area, with no accurate and clearly defined applications or services available to support this market. The goal for Wi-Fi Assist is to create a software and subscription based source of revenue in a new but parallel market segment, leveraging and adding value to our service provider offerings and providing a means of further customer intimacy and entrenchment. Wi-Fi Assist is a management platform for life cycle management of 802.11n- and ac-based residential WLAN networks. This platform will provide a cost effective management solution that enables installers and service representatives to successfully deploy, monitor, trouble shoot, and report on residential wireless networks.

Our mission is to be the world's leading supplier of smart and embedded antennas to the expanding wireless device and systems marketplace. The key elements of our strategy are listed below.

- *Expand our customer base within our core markets.* We sold our products in 2015 to over 80 active accounts. We also have non-OEM/ODM or carrier and retail-focused customers accounting for more than 10% of our sales during the period from 2012 to 2015). In 2015, our top three customers accounted for approximately 28%, 15% and 12% of sales, respectively. Although the customers that pay for our products are often ODMs and distributors, it is primarily the OEMs, carriers and retail-focused end-customers that drive the selection of our solutions. While we have over 50 customers, we believe the market needs for our products and services are broad and growing.
- *Increase our sales to existing customers.* Within our customer base, we offer solutions that are valued for performance and reliability. In many cases we are providing antenna solutions for an isolated subset of our customer's wireless product portfolios. We plan to initiate targeted marketing campaigns to expand our solutions footprint—effectively to mine our existing customer base more effectively to expand our revenue on a per customer basis.
- *Expand geographically.* We service markets domestically and internationally. In the United States we have a strong position with the carriers that supply in home residential wireless equipment; however, there is significant scope for expansion in international regions. The substantial majority of our sales are to ODMs and distributors based in China. However, for the year ended December 31, 2015, approximately 36% of the end-customers of our products, based on sales, are in North America and approximately 64% are outside of North America.
- *Innovate into new products and markets.* Trends such as the IoT are driving an explosion of demand for wireless connectivity in new applications in and out of the home, including connected vehicles. Our technology and solutions are well suited to the majority of these high growth potential new markets. As an example, by 2020, BI Intelligence estimates that 75% of cars shipped globally will be built with the necessary hardware to allow people to stream music, look up movie times, be alerted of traffic and weather conditions, and even power driving-assistance services such as self-parking. The connected-car market is projected to grow at a five-year CAGR of 45%—ten times as fast as the overall car market. We also see new opportunities in M2M communications, LTE, Near Field Communications, Identification and Tracking via Radio Frequency Identification, or RFID, Personal Area Networks such as ZigBee, Z-Wave or Bluetooth, and other wireless communications methods and applications.
- *Focus on system performance and products with long lifecycles.* We have sticky customer relationships with over 24% of our revenues in 2015 driven by customer programs exceeding 2 years on the market. Our antenna solutions are typically integrated into customers' products at the design stage. Once an equipment manufacturer designs our antennas into its product offering, it becomes difficult to design us out of a device because changing antenna suppliers involves significant cost, time, effort, and usually re-certification of products. This is especially valuable in the service provider market, where product generations generally ship for two to three years before displacement by next-generation devices.
- *Acquire complementary technologies, assets and companies.* The market for antenna solutions is diverse and fragmented. Opportunities arise for acquisition of technologies, assets and companies that

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would complement our business. We continue to consider acquisitions that will enable us to improve our strategic position and to take advantage of economies of scale through consolidation.

Customers

Our customers are global. The substantial majority of our sales are to ODMs and distributors based in China. However, for the year ended December 31, 2015, approximately 36% of the end-customers of our products, based on sales, are in North America. We generally work with Engineering, Product Management, Product Line Management, Product Marketing, Design, and similar groups to provide antenna solutions. While the sale of the product may be to an OEM or ODM, we also consider our customers to include chipset vendors and service providers. We market our design capabilities directly to chipset vendors and service providers to generate demand.

- *OEM (Original Equipment Manufacturer)*. We sell our products to OEM customers worldwide. These customers make many products including Wi-Fi access points and repeaters, set-top boxes, video gateways, and other wireless equipment found in homes, schools, businesses, and networks. Typically, these customers work with us to help overcome a specific performance issue, or to improve product performance against internal or external benchmarks. OEMs are also often mandated by service providers to select us.
- *ODM (Original Design Manufacturer)*. We sell our products to ODM customers worldwide with the vast majority being headquartered in Asia. These customers make many of the same products as the OEM customers, but they make these for sale to an OEM or service provider customer. Generally, ODM customers do not own all of the rights to the design and engineering assets of the products they produce and deliver. Historically, ODMs have been thought to focus primarily on cost; however, our ODM customers also emphasize performance and design flexibility when working on antenna selection and placement.
- *Chipset Vendors*. We sell small quantities of our products directly to chipset vendors for their reference designs. Through our close working relationships with the leading chipset makers for the WLAN we have developed a significant level of expertise in the testing and evaluation of chipset reference designs and systems. Chipset vendors and Semiconductor manufacturers work with us to promote better integration and improved performance, and to create optimal reference designs. These customers help influence purchasing decisions with OEM and ODMs as their reference designs and associated Bills of Materials (BoM's) and suppliers are usually closely replicated in production designs. This can also improve time-to-market for OEM and ODM customers.
- *Service Providers*. We do not sell antennas directly to telecommunications and broadband service providers, but these companies often specify overall product performance, and sometimes use our wireless test and validation services. By working with the service providers, we are often written into the carrier's specifications, which are sent to the OEM or ODM. Our antenna products are then shipped directly from our contract manufacturers to the device manufacturer. In doing so, we can have an impact on an OEM's or ODM's ability to hit certain performance levels. We have worked with service providers, and in some cases, we have sold testing equipment that mirrors the testing equipment and environment we use internally.

Sales and Marketing

Our sales and marketing organizations work together closely to improve market awareness, build a strong sales pipeline, and cultivate ongoing customer relationships to drive sales growth.

Sales

We sell our products to OEMs, ODMs, carriers and through manufactures for retail. Our global sales effort consists of direct and indirect sales teams, and indirect channel partners. Our direct sales team consists of inside

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sales personnel based in China and our outside field sales teams based in United States, Europe, Korea, China, and Taiwan. Our outside field sales teams consist of business, sales, account, and program managers, and field application engineers, or FAEs. Our indirect channel partners consist of value added resellers, distributors, engineering design companies and outside sales representatives.

We also use inside sales and field sales team managers to handle lead qualifications and larger or more complex transactions. Our FAEs report to these managers and help with technical support to existing customers. Our inside sales team is engaged in pre-sales, account management, distributor support, sales management, and creating partnership opportunities with third parties such as service providers and semiconductor manufacturers. They share responsibility as discussed above, and they can be assigned quotas and have defined sales territories and/or accounts. The sales process includes meeting and qualifying potential customers and actively participating in the planning stage of the devices they plan to bring to market. We intend to invest in our direct sales organization to drive greater market penetration.

Our indirect channel partners provide lead generation, pre-sales support, product fulfillment and, in certain circumstances, post-sales customer service and support. This channel partner network often co-sells with our inside sales and field sales teams. Our channel provides us with additional sales leverage by sourcing new prospects, providing technical support to existing customers, upselling for additional use cases and daily indexing capacities, and maintaining repeat business with existing customers. These channels provide added coverage to customers and prospects we cannot reach directly. The percentage of our sales from indirect channel partners was 39%, 19% and 28% in 2014 and 2015 and the three months ended March 31, 2016, respectively.

Marketing

Our marketing strategy is focused on building market awareness and acceptance of our products, and promoting our brand. We market our products directly to both prospective and existing customers. The marketing department is engaged in product management, product marketing, program management, corporate marketing, tradeshows and public speaking, development of our website and collateral material, and creating partnership opportunities with third parties, such as service providers and semiconductor manufacturers. Marketing emphasizes our competitive strengths, and provides input into the future direction of product development and customer profiles.

Our primary marketing initiatives include trade shows, industry events, industry reputation, and publications, including white papers and trade journals. We strategically choose the location and focus of each trade show based on each show's prospectus, reputation, and audience attendees, allocating marketing funds to support shows annually in North America, Asia, and Europe. Those decisions aid with scheduling meetings with our target audience. These shows provide us with the opportunity to showcase our newest products and system designs, as well as set up meetings with current and potential OEM and ODM customers, carriers, and chipset partners. We provide updates to new products and discuss specific applications and technology while making sure to relay our specific messaging to our audience.

Competition

The embedded antenna market is highly competitive and is characterized by rapid technological change and evolving standards. Our principal competitors fall into three categories:

- *Direct competitors.* Direct competitors include independent antenna companies, including Adant Technologies Inc., Antenova Ltd., Asian Creation Communications Factory, Ethertronics Inc., Fractus S.A., Baylin Technologies Inc., L-com, Inc., PCTEL, Inc., Pinyon Technologies Inc., Raylink Inc., Sunwave Communications Co., Ltd., Taoglas Limited, Wanshih Electronic Co. Ltd., and WHA YU Industrial Co., Ltd., among others. In addition, the barriers to entry for the antenna industry are low, and we expect new competitors to emerge in the future.

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- *In-house Antenna Design and Engineering Teams.* Several of our existing customers, including ODMs which design and build complete wireless devices, also have internal resources to design, engineer, and produce antenna solutions. In such cases, we compete against the captive resource of that ODM. Several ODMs, including Gemtek Technology Co. Ltd., Wistron Corporation, Foxconn Electronics Inc., and Arcadyan Technology Corporation, design, manufacture, and sell antennas, in direct competition with us.
- *Third-Party Custom Design and Engineering Companies.* Some of our existing customers and prospects use outsourced engineering services to provide antenna solutions. In these cases, there may be short-term or long-term contractors who work to design, engineer, test, and manage production of an antenna solution. This can be done in conjunction with in-house design and engineering employees and resources.

The principal competitive factors in our market include:

- Price and total cost of ownership as a result of reliability and performance issues;
- Brand awareness and reputation;
- Antenna performance, such as reliability, range, throughput;
- Ability to integrate with other technology infrastructures;
- Offerings across breadth of in-home wireless products;
- Antenna design and testing capabilities;
- Relationships with semiconductor/chipset vendors; and
- Intellectual property portfolio.

We compete primarily based on antenna performance, our intellectual product portfolio, design and testing capabilities, and reputation. We believe we generally compete favorably on the basis of these factors. However, some of our existing and potential competitors may have advantages over us. Many of our competitors are significantly larger in scale than we are and have access to greater financial, technical, marketing, and other resources. In most instances, competition among these vendors creates some level of pricing pressure and forces us to lower prices below our established list prices. Many direct competitors compete based upon price, and some high-volume Asia-based competitors are prepared to operate at less than 20% gross product margins.

Manufacturing and Operations

We outsource the manufacturing of our antenna products to two contract manufacturers, or CMs, located in China. We work with CMs to purchase raw materials, assemble, test, and ship our antenna products. We perform quality assurance and testing at our California facilities.

We maintain a close direct relationship with these manufacturers to help ensure supply and quality meet our requirements. Although the contract manufacturing services required to manufacture and assemble our products can be satisfied by one of our CMs or may be readily available from several established manufacturers, it may be time consuming and costly to qualify and implement new contract manufacturer relationships. If our CMs suffer an interruption in their businesses, or experiences delays, disruptions, or quality control problems in their manufacturing operations, or we otherwise have to change or add additional contract manufacturers or suppliers, our ability to ship products to our customers could be delayed, and our business adversely affected. The CMs manufacture antenna products according to our design specification, materials specification, quality standards, and delivery requirements. We have full control and authority over the selection of materials, manufacturing processes, and inspection processes.

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Research and Development

We invest considerable time and financial resources in research and development to enhance our antenna design and system integration capabilities, and conduct quality assurance testing to improve our technology. Our engineering team consists of engineers located in research, design, and test centers in California, the United Kingdom, China, and Taiwan. Our engineering team actively participates in research and development activities to expand our capabilities and target applications for the connected home market, adjacent in-home applications, connected vehicle, enterprise, and outdoor WLAN markets. We expect to continue to expand our product offerings and technology solutions in the future and to invest significantly in ongoing research and development efforts.

In the connected home, we are developing a series of antenna products for the home security market, including designs ranging from Z-Wave applications for door sensors to LTE designs for backhaul connections. We continue to architect and improve our antenna systems for our enterprise class smart antenna customers, as well as new high performance designs for the outdoor Wi-Fi and small cell markets. We are constantly reviewing alternative antenna designs for increasingly complex carrier gateway products, which are expanding beyond just delivering Wi-Fi to also include ZigBee, Z-Wave, DECT, and Bluetooth applications. Finally, we are engaged in the design and evaluation of antennas systems for next generation 802.11ac technology, including 8x8 reference designs.

Intellectual Property

We rely on patent, trademark, copyright and trade secrets laws, confidentiality procedures, and contractual provisions to protect our technology. As of March 31, 2016, we had 46 issued U.S. patents covering our embedded and smart antenna technology with expiration dates ranging from 2020 to 2032, and 81 patent applications pending for examination in the United States. We also have 21 issued patents and 6 pending patent applications for examination in non-U.S. jurisdictions (Europe, China and Japan) with expiration dates ranging from 2020 to 2037, which entail counterparts of U.S. utility patent applications. The patents consist of several broad areas, as summarized by the following four patent groups:

- Methods of determining which antenna pattern to use;
- Antenna pattern selection with multiple stations connected to access point;
- Dynamically selected antennas for MIMO systems; and
- Hardware implementations of switched directional antennas.

Taken together, these patents with priority dates as far back as November 2000, form both a barrier to competition and a licensable asset for customers in the MIMO arena.

Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy aspects of our products or obtain and use information that we regard as proprietary. We generally enter into confidentiality agreements with our employees, consultants, vendors and customers, and generally limit access to and distribution of our proprietary information. However, we cannot assure you that the steps taken by us will prevent misappropriation of our technology. In addition, the laws of some foreign countries do not protect our proprietary rights to as great an extent as the laws of the United States, and many foreign countries do not enforce these laws as diligently as government agencies and private parties in the United States.

Our industry is characterized by the existence of many patents and frequent claims and related litigation regarding patent and other intellectual property rights. In particular, leading companies in the technology industry have extensive patent portfolios. Third parties, including certain of these leading companies, may in the future assert patent, copyright, trademark and other intellectual property rights against us, our channel partners or our customers.

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Employees

As of June 30, 2016, we had approximately 33 employees in the United States and 5 in the United Kingdom, 23 of whom were primarily engaged in research and development, eight of whom were primarily engaged in sales and marketing and seven of whom were primarily engaged in operations and general and administration functions. In addition, we also have 10 employees based out of China whom primarily were engaged in sales and marketing. In addition, we contract directly with engineers and sales contractors domestically and internationally. None of our employees are covered by a collective bargaining agreement or represented by a labor union. We consider our relationship with our employees to be good.

Facilities

Our corporate headquarters occupy approximately 10,300 square feet in San Diego, California, under a lease that expires in June 2020. We also lease an approximately 3,500 square feet office in San Diego, California, a 4,300 square foot home facility in Rancho Santa Fe, California and a 3,900 square foot home facility in Rancho Santa Fe, California that are used as testing facilities. In addition, we lease office buildings in four locations outside of the United States in Shenzhen, China, Jiangsu Province, China, Shulin City, Taiwan, and Cambridgeshire, United Kingdom. We believe our facilities are suitable and sufficient to meet our current operating needs. We intend to add new facilities as we hire new employees, and we believe that the current headquarters in San Diego offers suitable additional space to accommodate such an expansion.

Legal Proceedings

From time to time, we may be a party to legal proceedings and subject to claims incident in the ordinary course of business. Although the results of litigation and claims cannot be predicted with certainty, we believe that the final outcome of these matters will not have a material adverse effect on our financial condition or business. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, and other factors.

MANAGEMENT

Executive Officers and Directors

The following table sets forth the names, ages, and positions of our executive officers and directors as of June 30, 2016.

Name	Age	Position
Executive Officers		
Charles Myers	54	President, Chief Executive Officer and Director
Leo Johnson	61	Chief Financial Officer
Glenn Selbo	54	Chief Operating Officer
Non-Employee Directors		
Jim K. Sims	69	Chairman of the Board of Directors
Francis X. Egan	60	Director
Frances Kordyback	62	Director
Thomas A. Munro	59	Director
Arthur M. Toscanini	73	Director

Executive Officers

Charles Myers has served as our Chief Executive Officer and as a member of our board of directors since May 2011. Prior to joining Airgain, Mr. Myers served as a consultant in sourcing opportunities to private equity companies from 2009 to January 2011 and as the Acting Chief Executive Officer of the Wireless Business Unit at VeriSign, Inc., a Web domain names and Internet security company, from November 2007 to January 2009. Mr. Myers also served as Chief Executive Officer of Awarepoint, a developer of location based hardware and software for the healthcare industry, and Founder and Chief Executive Officer of NetworkCar, a wireless automotive technology company. Mr. Myers began his career with Science Applications International Corporation, a Fortune 500 company, where he rose to the position of Corporate Vice President. He holds a M.S. degree from Massachusetts Institute of Technology. Mr. Myers' extensive knowledge of our business and prior executive management experience contributed to our board of directors' conclusion that he should serve as a director of our company.

Leo Johnson has served as our Chief Financial Officer since July 2014. From December 2012 to June 2014, Mr. Johnson served as a consultant to us. From September 2001 to November 2011, Mr. Johnson held several financial positions at Verisign, Inc. including Director of Finance, a position he held since 2003. From 1998 to 2001, Mr. Johnson served as Chief Financial Officer at Planning Technologies, Inc., a professional services company focused on network infrastructure and architecture that was acquired by Red Hat Inc. Mr. Johnson holds a B.B.A. in Accounting from the University of Georgia, Athens, Georgia.

Glenn Selbo has served as our Chief Operating Officer since June 2012. He has been with the company since its inception in November 2003, serving as Vice President, Business Development and Marketing from October 2006 to June 2012 and Vice President, Sales & Marketing from January 2004 to October 2006. Previously, Mr. Selbo served as Senior Director of Sales and Marketing for Powerwave Technologies, where he oversaw marketing and product management activities for cellular power amplifier solutions and as Vice President of Strategic Marketing for Wireless Facilities, a wireless network services firm. Mr. Selbo also served as Vice President of Marketing for VoltDelta, an application service provider in the wireless space, and Director of Global Market Development for Unisys Corporation. Mr. Selbo began his wireless career with AirTouch Communications, where he held several marketing and business development positions in the company's U.S. and international operations. Mr. Selbo received his M.B.A. from the University of Southern California and B.A. in Finance from California State University, Fullerton.

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Board of Directors

Jim K. Sims has served as our chairman of the board of directors since November 2003. Mr. Sims has served as the Chairman and Chief Executive Officer of GEN3 Partners, a consulting company that specializes in science-based technology development, since 1999, and as General Partner of its affiliated private equity investment fund, GEN3 Capital I, LP, since 2005. Mr. Sims founded Silicon Valley Data Science in 2012 and Cambridge Technology Partners in 1991. Prior to Cambridge Technology Partners, Mr. Sims also founded Concurrent Computer Corporation. Mr. Sims currently serves on the board of directors of various private companies including EPAY Systems, Inc., Connections 365, Inc. and Bright Volt, Inc. and has previously served on the board of directors of public companies including Cambridge Technology Partners, RSA Security, Inc. and Electronic Data Systems Corporation. Mr. Sims' extensive experience as a director of numerous public and private companies, as well as his extensive experience as a founder and venture capital investor in the technology industry, contributed to our board of directors' conclusion that he should serve as a director of our company.

Francis X. Egan has served on our board of directors since May 2010. Mr. Egan currently serves as a Managing Director of GEN3 Capital, a position he has held since 2005. Mr. Egan also currently serves as the Managing Director of Northwater Capital, Inc., an intellectual property focused venture capital company, a position he has held since 2006. Prior to GEN3 Capital, Mr. Egan served as Executive Vice President with PaineWebber (UBS), Kemper Securities Inc. and Dain Rauscher Wessels. Mr. Egan currently serves on the board of directors of various private companies including Arctic Sand Technologies, Inc., Aquilon Energy Services, Inc., One Chip Photonics, EPAY Systems, Red Wave Energy, Inc., MTPV Power Corporation, Ioxus, Inc., ThinkVine, Inc., R3 Fusion, Inc., Legend 3D, Inc., Skyonic Corp., Solicore, Inc. and Specialists on Call. Mr. Egan holds a B.A. from Marquette University, Milwaukee, Wisconsin. Mr. Egan's extensive experience as a venture capital investor in the technology industry, as well as his extensive experience as a board member of numerous companies, contributed to our board of directors' conclusion that he should serve as a director of our company.

Frances Kordyback has served on our board of directors since November 2005. Ms. Kordyback is a Managing Director of Northwater Capital Management Inc., a position she has held since January 2005. Prior to Northwater Capital Management, she served as the Managing Director of CCFL Parklea Capital Inc. from January 2003 to December 2004. Ms. Kordyback was a partner in Plaxton & Co. Limited from February 1999 to December 2001. Ms. Kordyback represents Northwater Capital Management on the boards of private portfolio companies, such as General Compression Inc., Unique Solutions Design Ltd. and Noble Biomaterials, Inc. Ms. Kordyback holds a Bachelor of Mathematics from the University of Waterloo. Ms. Kordyback's experience as a venture capitalist investing in the technology industry and serving on the boards of multiple technology companies contributed to our board of directors' conclusion that she should serve as a director of our company.

Thomas A. Munro has served on our board of directors since 2004. Mr. Munro is the Chief Executive Officer of Verimatrix, Inc., an Internet security technology company, a position he has held since April 2005. Prior to Verimatrix, Mr. Munro was the President of Wireless Facilities from 2001 to 2003 and Chief Financial Officer from 1997 to 2001. Previously, he was the Chief Financial Officer of Precision Digital Images from 1994 to 1995 and MetLife Capital Corporation from 1992 to 1994. Mr. Munro currently serves on the board of directors of BandwidthX, Inc., a private company, and previously served on the board of directors of private companies Kineticom, Inc. and CommNexus. Mr. Munro holds a B.A. in business and an M.B.A. from the University of Washington. Mr. Munro's extensive knowledge of our business and history and experience in the wireless technology industry contributed to our board of directors' conclusion that he should serve as a director of our company.

Arthur M. Toscanini has served on our board of directors since 2005. Mr. Toscanini is the Chief Financial Officer of GEN3 Partners, a position he has held since 2000. Prior to GEN3 Partners, he was with Cambridge Technology Partners from 1991 to 2000, where he served as the Chief Financial Officer. Mr. Toscanini also served as Vice President and Controller of Concurrent Computer Corporation from 1986 to 1991. Prior to Concurrent Computer Corporation, he worked at Perkin-Elmer Data Systems Group. Mr. Toscanini currently

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serves on the board of directors of various private companies, including Specialists On Call and EPAY Systems. He holds a B.A. in accounting from Pace University and an M.A. in management from Monmouth University. Mr. Toscanini's extensive knowledge of our business and experience as a chief financial officer contributed to our board of directors' conclusion that he should serve as a director of our company.

Board Composition and Election of Directors

Director Independence

Our board of directors consists of six members. Our board of directors has determined that _____ are independent directors in accordance with the listing requirements of The NASDAQ Capital Market. The NASDAQ independence definition includes a series of objective tests, including that the director is not, and has not been for at least three years, one of our employees and that neither the director nor any of his family members has engaged in various types of business dealings with us. In addition, as required by NASDAQ rules, our board of directors has made a subjective determination as to each independent director that no relationships exist, which, in the opinion of our board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In making these determinations, our board of directors reviewed and discussed information provided by the directors and us with regard to each director's business and personal activities and relationships as they may relate to us and our management. There are no family relationships among any of our directors or executive officers.

Classified Board of Directors

In accordance with the terms of our certificate of incorporation that will go into effect prior to the closing of this offering, our board of directors will be divided into three classes with staggered, three-year terms. At each annual meeting of stockholders, the successors to directors whose terms then expire will be elected to serve from the time of election and qualification until the third annual meeting following election. Effective upon the closing of this offering, our directors will be divided among the three classes as follows:

- the Class I directors will be _____ and _____, and their terms will expire at our first annual meeting of stockholders following this offering;
- the Class II directors will be _____ and _____, and their terms will expire at our second annual meeting of stockholders following this offering; and
- the Class III directors will be _____, _____ and _____, and their terms will expire at our third annual meeting of stockholders following this offering.

Our certificate of incorporation that will go into effect prior to the closing of this offering will provide that the authorized number of directors may be changed only by resolution of the board of directors. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. The division of our board of directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change in control of our company. Our directors may be removed only for cause by the affirmative vote of the holders of at least two thirds of our outstanding voting stock then entitled to vote in the election of directors.

Board Leadership Structure

Our board of directors is currently led by its chairman, Jim K. Sims. Our board of directors recognizes that it is important to determine an optimal board leadership structure to ensure the independent oversight of management as the company continues to grow. We separate the roles of chief executive officer and chairman of the board in recognition of the differences between the two roles. The chief executive officer is responsible for setting the strategic direction for the company and the day-to-day leadership and performance of the company,

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while the chairman of the board of directors provides guidance to the chief executive officer and presides over meetings of the full board of directors. We believe that this separation of responsibilities provides a balanced approach to managing the board of directors and overseeing the company.

Our board of directors has concluded that our current leadership structure is appropriate at this time. However, our board of directors will continue to periodically review our leadership structure and may make such changes in the future as it deems appropriate.

Role of Board in Risk Oversight Process

Our board of directors has responsibility for the oversight of the company's risk management processes and, either as a whole or through its committees, regularly discusses with management our major risk exposures, their potential impact on our business and the steps we take to manage them. The risk oversight process includes receiving regular reports from board committees and members of senior management to enable our board to understand the company's risk identification, risk management and risk mitigation strategies with respect to areas of potential material risk, including operations, finance, legal, regulatory, strategic and reputational risk.

The audit committee reviews information regarding liquidity and operations, and oversees our management of financial risks. Periodically, the audit committee reviews our policies with respect to risk assessment, risk management, loss prevention and regulatory compliance. Oversight by the audit committee includes direct communication with our external auditors, and discussions with management regarding significant risk exposures and the actions management has taken to limit, monitor or control such exposures. The compensation committee is responsible for assessing whether any of our compensation policies or programs has the potential to encourage excessive risk-taking. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire board is regularly informed through committee reports about such risks. Matters of significant strategic risk are considered by our board as a whole.

Board Committees and Independence

Our board has established three standing committees—audit, compensation and nominating and corporate governance – each of which operates under a charter that has been approved by our board.

Audit Committee

The audit committee's main function is to oversee our accounting and financial reporting processes and the audits of our financial statements. This committee's responsibilities include, among other things:

- appointing our independent registered public accounting firm;
- evaluating the qualifications, independence and performance of our independent registered public accounting firm;
- approving the audit and non-audit services to be performed by our independent registered public accounting firm;
- reviewing the design, implementation, adequacy and effectiveness of our internal accounting controls and our critical accounting policies;
- discussing with management and the independent registered public accounting firm the results of our annual audit and the review of our quarterly unaudited financial statements;
- reviewing, overseeing and monitoring the integrity of our financial statements and our compliance with legal and regulatory requirements as they relate to financial statements or accounting matters;

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- reviewing on a periodic basis, or as appropriate, any investment policy and recommending to our board any changes to such investment policy;
- reviewing any earnings announcements and other public announcements regarding our results of operations;
- preparing the report that the SEC requires in our annual proxy statement;
- reviewing and approving any related party transactions and reviewing and monitoring compliance with our code of conduct and ethics; and
- reviewing and evaluating, at least annually, the performance of the audit committee and its members including compliance of the audit committee with its charter.

The members of our audit committee are _____, _____ and _____ serves as the chairperson of the committee. All members of our audit committee meet the requirements for financial literacy under the applicable rules and regulations of the SEC and The NASDAQ Capital Market. Our board of directors has determined that _____ is an “audit committee financial expert” as defined by applicable SEC rules and has the requisite financial sophistication as defined under the applicable NASDAQ rules and regulations. Our board of directors has determined that _____ is independent under the applicable rules of the SEC and The NASDAQ Capital Market. Under the applicable NASDAQ Capital Market rules, we are permitted to phase in our compliance with the independent audit committee requirements of The NASDAQ Capital Market on the same schedule as we are permitted to phase in our compliance with the independent audit committee requirements pursuant to Rule 10A-3 under the Exchange Act which require: (1) one independent member at the time of listing, (2) a majority of independent members within 90 days of listing and (3) all independent members within one year of listing. We will comply with the phase-in requirements of the NASDAQ Capital Market rules and within one year of our listing on the NASDAQ Capital Market, all members of our audit committee will be independent under NASDAQ rules and Rule 10A-3. Upon the listing of our common stock on The NASDAQ Capital Market, the audit committee will operate under a written charter that satisfies the applicable standards of the SEC and The NASDAQ Capital Market.

Compensation Committee

Our compensation committee approves policies relating to compensation and benefits of our officers and employees. The compensation committee approves corporate goals and objectives relevant to the compensation of our Chief Executive Officer and other executive officers, evaluates the performance of these officers in light of those goals and objectives and approves the compensation of these officers based on such evaluations. The compensation committee also approves the issuance of stock options and other awards under our equity plan. The compensation committee will review and evaluate, at least annually, the performance of the compensation committee and its members, including compliance by the compensation committee with its charter.

The members of our compensation committee are _____, _____ and _____ serves as the chairperson of the committee. Our Board has determined that each of _____, _____ and _____ is independent under the applicable rules and regulations of The NASDAQ Capital Market, is a “non-employee director” as defined in Rule 16b-3 promulgated under the Exchange Act and is an “outside director” as that term is defined in Section 162(m) of the U.S. Internal Revenue Code of 1986, as amended, or Section 162(m). Upon the listing of our common stock on The NASDAQ Capital Market, the compensation committee will operate under a written charter, which the compensation committee will review and evaluate at least annually.

Nominating and Corporate Governance Committee

The nominating and corporate governance committee is responsible for assisting our board of directors in discharging the board’s responsibilities regarding the identification of qualified candidates to become board members, the selection of nominees for election as directors at our annual meetings of stockholders (or special

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meetings of stockholders at which directors are to be elected), and the selection of candidates to fill any vacancies on our board of directors and any committees thereof. In addition, the nominating and corporate governance committee is responsible for overseeing our corporate governance policies, reporting and making recommendations to our board of directors concerning governance matters and oversight of the evaluation of our board of directors. The members of our nominating and corporate governance committee are _____, _____ and _____. _____ serves as the chairman of the committee. Our board has determined that each of _____, _____ and _____ is independent under the applicable rules and regulations of The NASDAQ Capital Market relating to nominating and corporate governance committee independence. Upon the listing of our common stock on The NASDAQ Capital Market, the nominating and corporate governance committee will operate under a written charter, which the nominating and corporate governance committee will review and evaluate at least annually.

Compensation Committee Interlocks and Insider Participation

None of the members of our compensation committee has ever been one of our officers or employees. None of our executive officers currently serves, or has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our board of directors or compensation committee.

Board Diversity

Upon the closing of this offering, our nominating and corporate governance committee will be responsible for reviewing with the board of directors, on an annual basis, the appropriate characteristics, skills and experience required for the board of directors as a whole and its individual members. In evaluating the suitability of individual candidates (both new candidates and current members), the nominating and corporate governance committee, in recommending candidates for election, and the board of directors, in approving (and, in the case of vacancies, appointing) such candidates, will take into account many factors, including the following:

- personal and professional integrity, ethics and values;
- experience in corporate management, such as serving as an officer or former officer of a publicly-held company;
- experience as a board member or executive officer of another publicly-held company;
- strong finance experience;
- diversity of expertise and experience in substantive matters pertaining to our business relative to other board members;
- diversity of background and perspective, including, but not limited to, with respect to age, gender, race, place of residence and specialized experience;
- experience relevant to our business industry and with relevant social policy concerns; and
- relevant academic expertise or other proficiency in an area of our business operations.

Currently, our board of directors evaluates, and following the closing of this offering will evaluate, each individual in the context of the board of directors as a whole, with the objective of assembling a group that can best maximize the success of the business and represent stockholder interests through the exercise of sound judgment using its diversity of experience in these various areas.

Code of Business Conduct and Ethics

We have adopted a written code of business conduct and ethics that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or

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controller, or persons performing similar functions. Upon the closing of this offering, our code of business conduct and ethics will be available under the Investor Relations—Corporate Governance section of our website at www.airgain.com. In addition, we intend to post on our website all disclosures that are required by law or the listing standards of The NASDAQ Capital Market concerning any amendments to, or waivers from, any provision of the code. The reference to our website address does not constitute incorporation by reference of the information contained at or available through our website, and you should not consider it to be a part of this prospectus.

EXECUTIVE COMPENSATION

This section discusses the material components of the executive compensation program for our executive officers who are named in the “Summary Compensation Table” below. In 2015, our “named executive officers” and their positions were as follows:

- Charles Myers, President and Chief Executive Officer;
- Leo Johnson, Chief Financial Officer; and
- Glenn Selbo, Chief Operating Officer.

This discussion may contain forward-looking statements that are based on our current plans, considerations, expectations and determinations regarding future compensation programs. Actual compensation programs that we adopt following the closing of this offering may differ materially from the currently planned programs summarized in this discussion.

Summary Compensation Table

The following table presents information regarding compensation earned by or awards to our named executive officers during 2014 and 2015.

Name and Principal Position	Year	Salary(\$)	Bonus(\$)	Stock Awards(\$)(1)	Option Awards(\$)(2)	Non-Equity Incentive Plan Compensation(\$)	All Other Compensation(\$)(3)	Total(\$)
Charles Myers, President, Chief Executive Officer and Director	2015	310,000	260,000	—	110,000	—	522,696	1,202,696
	2014	310,000	175,000	574,033	—	—	20,000	1,079,033
Leo Johnson, Chief Financial Officer	2015	225,000	125,000	—	—	—	—	350,000
	2014	261,750(4)	85,000	—	90,000	—	—	436,750
Glenn Selbo, Chief Operating Officer	2015	225,000	125,000	—	15,000	—	—	365,000
	2014	225,000	85,000	—	58,050	—	—	368,050

- (1) Amounts reflect the full grant-date fair value of stock awards granted during the relevant fiscal year computed in accordance with ASC Topic 718, rather than the amounts paid to or realized by the named individual. We provide information regarding the assumptions used to calculate the value of all stock awards and option awards made to our directors in Note 11 to the audited financial statements for the year ended December 31, 2015 contained elsewhere in this prospectus. The performance objectives to which the vesting of the performance-based restricted stock awards granted during 2015 to Messrs. Johnson and Selbo were subject were not deemed probable of achievement as of the date of grant and no grant date fair value was attributed to those awards as of that date. The full grant date fair value of such awards, assuming achievement of the applicable performance objectives at maximum levels, was as follows: Mr. Johnson, \$35,000; and Mr. Selbo, \$65,000.
- (2) Amounts reflect the full grant-date fair value of stock options granted during the relevant fiscal year computed in accordance with ASC Topic 718, rather than the amounts paid to or realized by the named individual. We provide information regarding the assumptions used to calculate the value of all stock awards and option awards made to our directors in Note 11 to the audited financial statements for the year ended December 31, 2015 contained elsewhere in this prospectus. The performance objectives to which the vesting of the performance-based stock option awards granted during 2015 to Messrs. Myers and Selbo were subject were not deemed probable of achievement as of the date of grant and no grant date fair value was attributed to those awards as of that date. The full grant date fair value of such awards, assuming achievement of the applicable performance objectives at maximum levels, was as follows: Mr. Myers, \$30,000; and Mr. Selbo, \$15,000.
- (3) For 2014, represents supplemental health insurance provided for Mr. Myers at our expense. For 2015, includes \$266,282 for the forgiveness by us of a loan to Mr. Myers, a gross-up payment of \$236,414 for taxes arising from the forgiveness of the loan, \$5,500 paid for an annual executive medical program for Mr. Myers, \$5,000 paid for health club dues and a personal trainer for Mr. Myers, and \$9,500 in monthly reimbursements for Mr. Myers’ vehicle payments, and the costs of maintenance and operation of such vehicle.
- (4) Represents consulting fees paid to Mr. Johnson for services rendered 2014 until July 28, 2014. Mr. Johnson served as a consultant to the company prior to July 28, 2014, when he commenced full-time employment as our Chief Financial Officer.

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Narrative Disclosure to Compensation Tables

Employment and Consulting Agreements

We have entered into employment agreements with each of our executive officers.

Employment Agreement with Mr. Myers

Pursuant to his employment agreement, effective for 2014, Mr. Myers is entitled to an annual base salary of \$310,000 and a target annual bonus in the amount of 75% of his annual base salary. In connection with the execution of his employment agreement, on March 1, 2014, Mr. Myers received a grant of 2,609,240 shares of restricted common stock, all of which fully vested as of March 31, 2015. We provided a loan to Mr. Myers of \$266,282 for the payment of federal and state income taxes payable by him as a result of the issuance of the restricted stock, which loan was evidenced by a promissory note secured by a pledge of the shares. During the year ended December 31, 2015, we forgave the loan and provided Mr. Myers with a gross-up payment of \$236,414 for taxes on the loan forgiveness.

Pursuant to his employment agreement, Mr. Myers is entitled to receive a one-time cash retention bonus (the "Retention Bonus") in the amount of \$500,000 on the date of the closing of this offering, provided he continues to be an employee through such date. In the event of (1) Mr. Myers' death, (2) Mr. Myers' termination of employment by reason of his disability, (3) Mr. Myers' termination of employment without cause, or (4) Mr. Myers' resignation for good reason, he will be entitled to receive the Retention Bonus in a lump sum cash payment. In addition, in the event of a change in control (as defined below) prior to the date of the closing of this offering, Mr. Myers will be entitled to receive the Retention Bonus on the date of such change in control.

Pursuant to the employment agreement with Mr. Myers, if we terminate his employment without cause (as defined below) or he resigns for good reason (as defined below), he is entitled to the following payments and benefits: (1) his fully earned but unpaid base salary through the date of termination at the rate then in effect, plus all other amounts under any compensation plan or practice to which he is entitled; (2) a lump sum cash payment in an amount equal to 12 months of his base salary as in effect immediately prior to the date of termination; (3) a lump sum cash payment in an amount equal to his "earned" bonus for the calendar year during which his date of termination occurs calculated as of the date of termination (wherein "earned" means that he has met the applicable bonus metrics as of date of such termination, as determined by the board of directors), prorated for such portion of the calendar year during which such termination occurs that has elapsed through the date of termination; (4) a lump sum cash payment in an amount equal to 12 multiplied by the monthly premium payable by Mr. Myers (or by us on his behalf) for disability insurance under our disability insurance plans in which Mr. Myers was participating immediately prior to the date of termination, payable in a lump sum on the date that is thirty (30) days following the date of termination; (5) continuation of health benefits at our expense for a period of 12 months following the date of termination; and (6) as described above, the automatic acceleration of the vesting and exercisability of his restricted stock award.

In the event Mr. Myers termination without cause or resignation for good reason occurs within 12 months following a change in control, he is entitled to the following payments and benefits: (1) his fully earned but unpaid base salary through the date of termination at the rate then in effect, plus all other amounts under any compensation plan or practice to which he is entitled; (2) a lump sum cash payment in an amount equal to 18 months of his base salary as in effect immediately prior to the date of termination; (3) a lump sum cash payment in an amount equal to his target bonus for the year in which the termination of his employment occurs; (4) continuation of health benefits at our expense for a period of 18 months following the date of termination; (5) a lump sum cash payment in an amount equal to 18 multiplied by the monthly premium payable by Mr. Myers (or by us on his behalf) for disability insurance under our disability insurance plans in which Mr. Myers was participating immediately prior to the date of termination, payable in a lump sum on the date that is thirty (30) days following the date of termination; and (6) as described above, the automatic acceleration of the vesting and exercisability of his restricted stock award.

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If Mr. Myers' employment is terminated as a result of his death or following his permanent disability, Mr. Myers or his estate, as applicable, is entitled to the following payments and benefits: (1) his fully earned but unpaid base salary through the date of termination at the rate then in effect, plus all other amounts under any compensation plan or practice to which he is entitled; (2) a lump sum cash payment in an amount equal to his "earned" bonus for the calendar year during which his date of termination occurs calculated as of the date of termination (wherein "earned" means that he has met the applicable bonus metrics as of date of such termination, as determined by the board of directors), prorated for such portion of the calendar year during which such termination occurs that has elapsed through the date of termination; and (3) as described above, the automatic acceleration of the vesting and exercisability of his restricted stock award.

Employment Agreements with Messrs. Johnson and Selbo

Pursuant to his employment agreement, Mr. Selbo is entitled to an annual base salary of \$225,000, and a target annual bonus in the amount of 50% of his annual base salary. Mr. Johnson entered into his employment agreement effective July 28, 2014, the date he commenced employment with us. Pursuant to his employment agreement, Mr. Johnson is entitled to an annual base salary of \$225,000 and a target annual bonus in the amount of 50% of his annual base salary. Pursuant to their employment agreements, if we terminate such officer's employment without cause (as defined below) or such officer resigns for good reason (as defined below), the executive officer is entitled to the following payments and benefits: (1) his fully earned but unpaid base salary through the date of termination at the rate then in effect, plus all other amounts under any compensation plan or practice to which he is entitled; (2) a lump sum cash payment in an amount equal to 6 months of his base salary as in effect immediately prior to the date of termination; and (3) continuation of health benefits at our expense for a period of 6 months following the date of termination.

In the event an officer's termination without cause or resignation for good reason occurs within 12 months following a change in control, the executive officer is entitled to the following payments and benefits: (1) his fully earned but unpaid base salary through the date of termination at the rate then in effect, plus all other amounts under any compensation plan or practice to which he is entitled; (2) a lump sum cash payment in an amount equal to 12 months of his base salary as in effect immediately prior to the date of termination; (3) a lump sum cash payment in an amount equal to his target bonus for the year in which the termination of his employment occurs; (4) continuation of health benefits at our expense for a period of 18 months following the date of termination; and (5) the automatic acceleration of the vesting and exercisability of outstanding unvested stock awards.

If an officer's employment is terminated as a result of his death or following his permanent disability, the executive officer or his estate, as applicable, is entitled to the following payments and benefits: (1) his fully earned but unpaid base salary through the date of termination at the rate then in effect, plus all other amounts under any compensation plan or practice to which he is entitled; and (2) a lump sum cash payment in an amount equal to his "earned" bonus for the calendar year during which his date of termination occurs calculated as of the date of termination (wherein "earned" means that the executive officer has met the applicable bonus metrics as of date of such termination, as determined by the board of directors), prorated for such portion of the calendar year during which such termination occurs that has elapsed through the date of termination.

Defined Terms Applicable to Executive Employment Agreements

For purposes of the executive employment agreements, "cause" generally means an executive officer's (1) material breach of his employment agreement, his confidentiality and inventions assignment agreement or the definitive agreements relating to his stock option awards; (2) continued substantial and material failure or refusal to perform according to, or to comply with, the policies, procedures or practices established by us; (3) appropriation (or attempted appropriation) of a material business opportunity of the company, including attempting to secure or securing any personal profit in connection with any transaction entered into on our behalf; (4) misappropriation (or attempted appropriation) of any of our funds or property of any kind; (5) willful

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gross misconduct; or (6) conviction of a felony involving moral turpitude that is likely to inflict or has inflicted material injury on our business; provided, however, that except for Cause being the result of item (6) above, we will provide written notice to the executive officer, which notice specifically identifies the nature of the alleged cause claimed by us with enough specificity for the executive officer to be able to cure, and the executive officer will have 15 days to cure the purported ground(s) for cause.

For purposes of the executive employment agreements, “good reason” generally means (1) a material reduction in the executive officer’s authority, duties or responsibilities relative to the executive officer’s authority, duties or responsibilities in effect immediately prior to such reduction; as set forth in his employment agreement; (2) a material reduction in the executive officer’s annual base salary (or, for Mr. Myers, his target cash compensation); (3) a relocation of the executive officer’s or our principal executive offices to a location outside of San Diego County, if the executive officer’s principal office is at such offices; (4) any material breach by us or any successor or affiliate of obligations to the executive officer under the employment agreement; or (5) for Mr. Myers, the assignment to him of any duties materially inconsistent with his status as an executive officer.

For purposes of the employment agreements, “change in control” generally means (1) any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) (other than us, any of our subsidiaries, or any existing shareholder) becomes the “beneficial owner” (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of our securities representing 50% or more of the total voting power represented by our then outstanding voting securities, (2) the consummation of the sale, liquidation or disposition by us of all or substantially all of our assets, (3) the consummation of a merger, consolidation, reorganization or other similar transaction involving us, in each case in which our voting securities outstanding immediately prior thereto do not continue to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least 50% of the power represented by our voting securities or such surviving entity or its parent outstanding immediately after such transaction, or (4) for Mr. Myers, during any period of two consecutive years, individuals who, at the beginning of such period, constitute the board of directors together with any new director(s) (other than a director designated by a person who shall have entered into an agreement with us to effect a transaction described in clause (1) or (3) of this definition) whose election by the board of directors or nomination for election by our shareholders was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of the two-year period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof.

Consulting Agreement with Mr. Johnson

In December 2012, we entered into a consulting agreement with Mr. Johnson. The agreement was not for a specified term and was subject to termination by either party upon thirty days’ notice. Pursuant to the agreement, we paid Mr. Johnson \$25,000 per month for his services. This agreement terminated upon Mr. Johnson’s commencement of employment with us on July 28, 2014 pursuant to his employment agreement described above.

Annual Cash Bonus

For 2015, Mr. Myers, Mr. Johnson and Mr. Selbo were eligible for target bonuses equal to 75%, 50% and 50% of their respective base salaries. The executives’ bonuses for 2015 were determined in the discretion of our board of directors based on its subjective assessment of both our corporate performance and their individual performance. Based on this assessment, our board of directors determined to award Mr. Myers a bonus of \$260,000 for 2015, representing 84% of his base salary for 2015, determined to award Mr. Johnson a bonus of \$125,000, representing 56% of his base salary for 2015, and determined to award Mr. Selbo a bonus of \$125,000, representing 56% of his base salary for 2015.

Equity Compensation

We primarily offer stock options to our named executive officers as the long-term incentive component of our compensation program. Our stock options allow employees to purchase shares of our common stock at a

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price per share equal to the fair market value of our common stock on the date of grant and may or may not be intended to qualify as “incentive stock options” for U.S. federal income tax purposes. In the past, our board of directors has determined the fair market value of our common stock based upon inputs including valuation reports prepared by third-party valuation firms from time to time. Generally, the stock options we grant vest over four years, subject to the employee’s continued employment with us on the vesting date. We also, when appropriate, grant restricted stock to our executives.

Pursuant to his employment agreement on August 27, 2014, Mr. Johnson received a stock option to purchase 500,000 shares of our common stock. The option vests over four years, with 25% of the shares subject to the option vested immediately on the date of grant and the remainder vesting in equal monthly installments over a period of two years following his commencement of employment, subject to his continued employment with us on each vesting date. The options were originally granted with an exercise price per share of \$0.42, which was equal to the fair market value per share of our common stock at the time of the grant, as determined pursuant to an independent third party valuation. The option has a term of ten years from the date of grant. In March 2015, the option was amended to reduce the exercise price per share to \$0.20 per share, which represented the fair market value per share of our common stock at the time of such amendment, as determined pursuant to an independent third party valuation.

In March 2015, each of Mr. Myers and Mr. Selbo received additional stock option awards. The options were granted with an exercise price per share of \$0.20, which was equal to the fair market value per share of our common stock at the time of the grant, as determined pursuant to an independent third party valuation. The options have a term of ten years from the date of grant. Mr. Myers was granted time-based stock options to purchase 800,000 shares of our common stock, of which 750,000 were fully vested on the date of grant and 50,000 vested on March 31, 2015. Mr. Myers received a second time-based stock option to purchase 250,000 shares of our common stock, which stock option vests over four years, with 25% of the shares subject to the option vesting on the first anniversary of the date of grant and the remainder vesting in equal monthly installments over a period of three years thereafter, subject to his continued employment with us on each vesting date. The time-based options will vest on an accelerated basis in the event of a change in control, or in the event of Mr. Myers’ termination of employment by us without cause (as defined in his employment agreement), his resignation for good reason (as defined in his employment agreement), his death or his termination of employment by reason of his disability (as defined in his employment agreement). Mr. Selbo was granted 125,000 time-based stock options, which also vest over four years.

Mr. Myers also received performance-based stock options to purchase 250,000 shares of our common stock, which stock option vests over four years, with 25% of the shares subject to the option vested immediately on the date of grant and the remainder vesting in equal monthly installments over a period of three years thereafter, subject to his continued employment with us on each vesting date; provided, however, that the number of shares subject to the option that would have been eligible to vest in accordance with the foregoing schedule were to be determined based on our revenues for 2015 in accordance with the following table (with results were to be interpolated between the listed data points):

<u>2015 Revenues</u>	<u>Percentage of Options Eligible to Vest</u>
Below \$28M	0%
\$28M	50%
\$30M	75%
\$32M	100%

Notwithstanding the foregoing, the vesting eligible shares subject to the option would have become fully vested and exercisable in the event of a change in control; provided that, to the extent such change in control occurred during 2015, Mr. Myers would have vested in 100% of the shares subject to the option on the date of such change in control. In addition, the vesting eligible shares would have become fully vested and exercisable in

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the event of Mr. Myers' termination of employment by us without cause (as defined in his employment agreement), his resignation for good reason (as defined his employment agreement), his death or his termination of employment by reason of his disability (as defined in his employment agreement); provided that, to the extent such termination of employment occurred during 2015, Mr. Myers would have vested in 100% of the shares subject to the option on the date of such termination of employment. Because we did not meet the foregoing revenue target for 2015, all of the options were forfeited on December 31, 2015.

Mr. Selbo also received performance-based stock options to purchase 125,000 shares of our common stock, which stock option vests over four years, with 25% of the shares subject to the option vesting on the first anniversary of the date of grant and the remainder vesting in equal monthly installments over a period of three years thereafter, subject to his continued employment with us on each vesting date; provided, however, that the number of shares subject to the option that would have been eligible to vest in accordance with the foregoing schedule were to be determined based on our revenues for 2015 in accordance with the following table (with results to be interpolated between the listed data points):

<u>2015 Revenues</u>	<u>Percentage of Options Eligible to Vest</u>
Below \$28M	0%
\$28M	50%
\$30M	75%
\$32M	100%

Notwithstanding the foregoing, if a change in control occurred during 2015, 100% of the shares subject to the option would have been deemed to be vesting eligible shares and would have been eligible to vest in accordance with the foregoing time-based schedule and the foregoing performance vesting provisions would have ceased to apply. The vesting eligible shares would have become fully vested and exercisable in the event of Mr. Selbo's termination of employment by us without cause (as defined in Mr. Selbo's employment agreement) or his resignation for good reason (as defined Mr. Selbo's employment agreement), in each case following a change in control. Because we did not meet the foregoing revenue target for 2015, all of the options were forfeited on December 31, 2015.

Also in March 2015, each of Mr. Selbo and Mr. Johnson received performance-based restricted stock awards with respect to 325,000 and 175,000 shares, respectively. The shares would have vested on the date that is six months and one day following the closing date of an initial public offering (provided such offering occurred on or before December 31, 2015, subject to the recipient's continued employment or service to us on such vesting date. Notwithstanding the foregoing, the shares would have become fully vested and exercisable in the event of a change in control prior to December 31, 2015. In addition, the shares would have become fully vested and exercisable in the event of the employee's termination of employment by us without cause (as defined in his employment agreement), or his resignation for good reason (as defined his employment agreement), in each case following the closing of the initial public offering. As of December 31, 2015, these shares were forfeited.

Stock awards granted to our named executive officers may be subject to accelerated vesting in certain circumstances. For additional discussion, please see "—Employment Agreements" above and "—Change in Control Benefits" below.

Prior to the effectiveness of the registration statement of which this prospectus forms a part, we intend to adopt a 2016 Incentive Award Plan, referred to below as the 2016 Plan, in order to facilitate the grant of cash and equity incentives to directors, employees (including our named executive officers) and consultants of our company and certain of its affiliates and to enable our company and certain of its affiliates to obtain and retain services of these individuals, which is essential to our long-term success. For additional information about the 2016 Plan, please see the section titled "Incentive Award Plans" below.

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Other Elements of Compensation

Retirement Plans

We currently maintain a 401(k) retirement savings plan that allows eligible employees to defer a portion of their compensation, within limits prescribed by the Internal Revenue Code, or the Code, on a pre-tax basis through contributions to the plan. Our named executive officers are eligible to participate in the 401(k) plan. We may make discretionary matching contributions under the 401(k) plan, but we have not done so to date. We believe that providing a vehicle for tax-deferred retirement savings through our 401(k) plan adds to the overall desirability of our executive compensation package and further incentivizes our named executive officers in accordance with our compensation policies.

Employee Benefits and Perquisites

Our named executive officers are eligible to participate in our health and welfare plans. In addition, pursuant to his employment agreement, Mr. Myers is entitled to receive the following additional benefits with an aggregate annual cost not to exceed \$20,000: (1) annual executive medical program; (2) health club dues/personal trainer; and (3) reimbursement of monthly vehicle payment, plus the costs of maintenance and operation of such vehicle. We do not provide our named executive officers with any other perquisites or other personal benefits.

Change in Control Benefits

Our named executive officers may become entitled to certain benefits or enhanced benefits in connection with a change in control of our company. Each of our named executive officers' employment agreements entitles them to accelerated vesting of all outstanding equity awards, as well as certain other benefits, upon a change in control of our company. For additional discussion, please see "—Employment Agreements" above.

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Outstanding Equity Awards at the End of 2015

The following table summarizes the number of shares of common stock underlying outstanding equity incentive plan awards for each named executive officer as of December 31, 2015.

Name	Grant Date	Option Awards					Stock Awards			
		Number of Securities Underlying Unexercised Options(#) Exercisable(1)	Number of Securities Underlying Unexercised Options(#) Unexercisable(1)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options(#)	Option Exercise Price(\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested(#)	Market Value of Shares or Units of Stock That Have Not Vested(\$)	Equity incentive plan awards: number of unearned shares, units or other rights that have not vested(#)	Equity incentive plan awards: market or payout value of unearned shares, units or other rights that have not vested(\$)
Charles Myers	3/18/2015	—	250,000	—	\$ 0.20	3/18/2025	—	—	—	—
	3/18/2015	—	—	250,000(2)	\$ 0.20	3/18/2025	—	—	—	—
	3/18/2015	800,000(3)	—	—	\$ 0.20	3/18/2025	—	—	—	—
Leo Johnson	8/27/2014	390,625(4)	109,375	—	\$ 0.20	8/26/2024	—	—	—	—
	3/18/2015	—	—	—	—	—	—	—	175,000(5)	(6)
Glenn Selbo	6/21/2006	50,000	—	—	\$ 0.22	6/21/2016	—	—	—	—
	9/20/2007	90,000	—	—	\$ 0.22	9/20/2017	—	—	—	—
	12/11/2007	100,000	—	—	\$ 0.22	12/11/2017	—	—	—	—
	11/9/2008	50,000	—	—	\$ 0.26	11/9/2018	—	—	—	—
	3/17/2009	100,000	—	—	\$ 0.26	3/18/2019	—	—	—	—
	1/22/2014	107,812	117,188	—	\$ 0.22	1/21/2024	—	—	—	—
	5/13/2014	63,332	96,668	—	\$ 0.31	5/12/2024	—	—	—	—
	3/18/2015	—	125,000	—	\$ 0.20	3/18/2025	—	—	—	—
	3/18/2015	—	—	125,000(7)	\$ 0.20	3/18/2025	—	—	—	—
	3/18/2015	—	—	—	—	—	—	—	325,000(5)	(6)

- Except as specified below, all options have a term of ten years from the date of grant and vest over four years, with 25% of the shares underlying the options vesting on the first anniversary of the date of grant and the remaining shares underlying the options vesting monthly over the three-year period thereafter, subject to the option holder's continuous employment or service. Each of our named executive officers' employment agreements entitles them to accelerated vesting of all outstanding equity awards, as well as certain other benefits, upon a change in control of our company. For additional discussion, please see "— Employment Agreements" above.
- Represents performance-based stock options, which stock options vest over four years, with 25% of the shares subject to the option vested immediately on the date of grant and the remainder vesting in equal monthly installments over a period of three years thereafter, subject to his continued employment with us on each vesting date; provided, however, that the number of shares subject to the option that would have been eligible to vest in accordance with the foregoing schedule were to be determined based on our revenues for 2015 in accordance with the following table (with results were to be interpolated between the listed data points):

2015 Revenues	Percentage of Options Eligible to Vest
Below \$28M	0%
\$28M	50%
\$30M	75%
\$32M	100%

Notwithstanding the foregoing, the vesting eligible shares subject to the option would have become fully vested and exercisable in the event of a change in control; provided that, to the extent such change in control occurred during 2015, Mr. Myers would have vested in 100% of the shares subject to the option on the date of such change in control. In addition, the vesting eligible shares would have become fully vested and exercisable in the event of Mr. Myers' termination of employment by us without cause (as defined in his employment agreement), his resignation for good reason (as defined in his employment agreement), his death or his termination of employment by reason of his disability (as defined in his employment agreement); provided that, to the extent such termination of employment occurred during 2015, Mr. Myers would have vested in 100% of the shares subject to the option on the date of such termination of employment. Because we did not meet the foregoing revenue target for 2015, all of the options were forfeited on December 31, 2015.

- The options have a term of ten years from the date of grant. The option was vested as to 750,000 shares subject to the option on the date of grant and the remaining shares subject to the option vested on March 31, 2015.

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- (4) The options have a term of ten years from the date of grant and vest over two years, with 25% of the shares underlying the options being vested on the date of grant and the remaining shares underlying the options vesting monthly over the two year period thereafter, subject to the option holder's continuous employment or service. Mr. Johnson's employment agreement entitles him to accelerated vesting of all outstanding equity awards, as well as certain other benefits, upon a change in control of our company. The options were originally granted with an exercise price per share of \$0.42, which was equal to the fair market value per share of our common stock at the time of the grant, as determined pursuant to an independent third party valuation. The option has a term of ten years from the date of grant. In March 2015, the option was amended to reduce the exercise price per share to \$0.20 per share, which represented the fair market value per share of our common stock at the time of such amendment, as determined pursuant to an independent third party valuation. For additional discussion, please see "—Employment Agreements" above.
- (5) Represents shares of restricted stock. The shares would have vested on the date that is six months and one day following the closing date of an initial public offering (provided such offering occurred on or before December 31, 2015, subject to the recipient's continued employment or service to us on such vesting date. Notwithstanding the foregoing, the shares would have become fully vested in the event of a change in control prior to December 31, 2015. In addition, the shares would have become fully vested in the event of the employee's termination of employment by us without cause (as defined in his employment agreement), or his resignation for good reason (as defined in his employment agreement), in each case following the closing of the initial public offering. As of December 31, 2015, these shares were forfeited.
- (6) Since we have not yet completed our initial public offering, the market value was computed using \$_____, which is the midpoint of the price range set forth on the cover of this prospectus.
- (7) Represents performance-based stock options, which stock options vest over four years, with 25% of the shares subject to the option vesting on the first anniversary of the date of grant and the remainder vesting in equal monthly installments over a period of three years thereafter, subject to his continued employment with us on each vesting date; provided, however, that the number of shares subject to the option that would have been eligible to vest in accordance with the foregoing schedule were to be determined based on our revenues for 2015 in accordance with the following table (with results to be interpolated between the listed data points):

2015 Revenues	Percentage of Options Eligible to Vest
Below \$28M	0%
\$28M	50%
\$30M	75%
\$32M	100%

Notwithstanding the foregoing, if a change in control occurred during 2015, 100% of the shares subject to the option would have been deemed to be vesting eligible shares and would have been eligible to vest in accordance with the foregoing time-based schedule and the foregoing performance vesting provisions would have ceased to apply. The vesting eligible shares would have become fully vested and exercisable in the event of Mr. Selbo's termination of employment by us without cause (as defined in Mr. Selbo's employment agreement) or his resignation for good reason (as defined in Mr. Selbo's employment agreement), in each case following a change in control. Because we did not meet the foregoing revenue target for 2015, all of the options were forfeited on December 31, 2015.

Director Compensation

Mr. Myers, who is our Chief Executive Officer, received no compensation for his service as a director. The compensation received by Mr. Myers as an employee is presented in "Executive Compensation—Summary Compensation Table."

The following table sets forth information for the year ended December 31, 2015 regarding the compensation awarded to, earned by or paid to our non-employee directors who served on our board of directors during 2015.

Name	Fees Earned or Paid in Cash(\$)	Option Awards \$(I)	All Other Compensation(\$)	Total(\$)
Jim K. Sims	—	\$22,659	—	\$22,659
Francis X. Egan	—	13,053	—	13,053
Frances Kordyback	—	20,688	—	20,688
Thomas A. Munro	—	26,236	—	26,236
Arthur M. Toscanini	—	21,243	—	21,243

- (1) Amounts reflect the full grant-date fair value of stock options granted during 2015 computed in accordance with ASC Topic 718, rather than the amounts paid to or realized by the named individual. We provide information regarding the assumptions used to calculate the value of all stock awards and option awards made to our directors in Note 11 to the audited financial statements for the year ended December 31, 2015

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contained elsewhere in this prospectus. In June 2015, each of our non-employee directors was granted options to purchase shares of our common stock (other than Tom Munro, who received options to purchase shares of our common stock in both March 2015 and June 2015), which options were fully vested on the date of grant.

The table below shows the aggregate numbers of option awards outstanding held as of December 31, 2015 by each non-employee director who was serving as of December 31, 2015.

<u>Name</u>	<u>Options Outstanding at Year End</u>
Jim K. Sims	633,700
Francis X. Egan	286,478
Frances Kordyback	475,553
Thomas A. Munro	634,812
Arthur M. Toscanini	463,479

In connection with this offering, we intend to adopt and ask our stockholders to approve the initial terms of our non-employee director compensation policy. The material terms of the non-employee director compensation policy, as it is currently contemplated, are summarized below. Our board of directors is still in the process of considering the non-employee director compensation policy and, accordingly, this summary is subject to change.

The non-employee director compensation policy will provide for annual retainer fees and/or long-term equity awards for our non-employee directors. We expect each non-employee director will receive an annual retainer of \$30,000, with an additional \$25,000 annual retainer payable to the Chairman of the Board. Non-employee directors serving as the chairs of the audit, compensation and nominating and corporate governance committees will receive additional annual retainers of \$15,000, \$10,000 and \$7,500, respectively. Non-employee directors serving as members of the audit, compensation and nominating and corporate governance committees will receive additional annual retainers of \$7,500, \$5,000 and \$3,750, respectively. The non-employee directors will also receive initial grants of options to purchase _____ shares of our common stock, vesting over _____ years, upon election to the board of directors, and thereafter annual grants of options to purchase 45,000 shares of our common stock, vesting on _____.

Compensation under our non-employee director compensation policy will be subject to the annual limits on non-employee director compensation set forth in the 2016 Plan, as described above. Our board of directors or its authorized committee may modify the non-employee director compensation program from time to time in the exercise of its business judgment, taking into account such factors, circumstances and considerations as it shall deem relevant from time to time, subject to the annual limit on non-employee director compensation set forth in the 2016 Plan. As provided in the 2016 Plan, our board of directors or its authorized committee may make exceptions to this limit for individual non-employee directors in extraordinary circumstances, as the board of directors or its authorized committee may determine in its discretion, provided that the non-employee director receiving such additional compensation may not participate in the decision to award such compensation or in other compensation decisions involving non-employee directors.

Incentive Award Plans

2016 Incentive Award Plan

In connection with this offering, we intend to adopt and ask our stockholders to approve a 2016 Incentive Award Plan, or the 2016 Plan, under which we may grant cash and equity incentive awards to eligible service providers in order to attract, motivate and retain the talent for which we compete. The material terms of the 2016 Plan, as it is currently contemplated, are summarized below. Our board of directors is still in the process of developing, approving and implementing the 2016 Plan and, accordingly, this summary is subject to change.

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Eligibility and Administration

Our employees, consultants and directors, and employees and consultants of our subsidiaries, will be eligible to receive awards under the 2016 Plan. Following our initial public offering, the 2016 Plan will generally be administered by our board of directors with respect to awards to non-employee directors and by our compensation committee with respect to other participants, each of which may delegate its duties and responsibilities to committees of our directors and/or officers (referred to collectively as the plan administrator below), subject to certain limitations that may be imposed under the 2016 Plan, Section 16 of the Securities Exchange Act and/or stock exchange rules, as applicable. The plan administrator will have the authority to make all determinations and interpretations under, prescribe all forms for use with, and adopt rules for the administration of, the 2016 Plan, subject to its express terms and conditions. The plan administrator will also set the terms and conditions of all awards under the 2016 Plan, including any vesting and vesting acceleration conditions.

Limitation on Awards and Shares Available

An aggregate of _____ shares of our common stock will initially be available for issuance under awards granted pursuant to the 2016 Plan. The number of shares initially available for issuance will be increased by (1) the number of shares that as of the effective date of the 2016 Plan, have been reserved but not issued pursuant to any awards granted under our 2013 Plan and are not subject to any awards granted thereunder, (2) the number of shares subject to stock options or similar awards granted under our 2013 Plan that expire or otherwise terminate without having been exercised in full and unvested shares issued pursuant to awards granted under the 2013 Plan that are forfeited to or repurchased by us, with the maximum number of shares to be added to the 2016 Plan pursuant to clauses (1) and (2) above equal to _____ shares, and (3) an annual increase on January 1 of each calendar year beginning in 2017 and ending in 2026, equal to the lesser of (a) 4% of the shares of common stock outstanding on the final day of the immediately preceding calendar year and (b) such smaller number of shares as determined by our board of directors. No more than _____ shares of common stock may be issued under the 2016 Plan during its term. In addition, no more than _____ shares of common stock may be issued upon the exercise of incentive stock options. Shares issued under the 2016 Plan may be authorized but unissued shares, shares purchased in the open market or treasury shares.

If an award under the 2016 Plan or the 2013 Plan expires, lapses or is terminated, exchanged for cash, surrendered, repurchased, canceled without having been fully exercised or forfeited, any shares subject to such award will, as applicable, become or again be available for new grants under the 2016 Plan. Awards granted under the 2016 Plan upon the assumption of, or in substitution for, awards authorized or outstanding under a qualifying equity plan maintained by an entity with which we enter into a merger or similar corporate transaction will not reduce the shares available for grant under the 2016 Plan.

Awards

The 2016 Plan provides for the grant of stock options, including incentive stock options, or ISOs, and nonqualified stock options, or NSOs, restricted stock, dividend equivalents, restricted stock units, or RSUs, stock appreciation rights, or SARs, and other stock or cash based awards. Certain awards under the 2016 Plan may constitute or provide for a deferral of compensation, subject to Section 409A of the Internal Revenue Code, which may impose additional requirements on the terms and conditions of such awards. All awards under the 2016 Plan will be set forth in award agreements, which will detail the terms and conditions of the awards, including any applicable vesting and payment terms and post-termination exercise limitations. A brief description of each award type follows.

Stock Options. Stock options provide for the purchase of shares of our common stock in the future at an exercise price set on the grant date. ISOs, by contrast to NSOs, may provide tax deferral beyond exercise and favorable capital gains tax treatment to their holders if certain holding period and other requirements of the Internal Revenue Code are satisfied. The exercise price of a stock option will not be less than 100% of the fair

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market value of the underlying share on the date of grant (or 110% in the case of ISOs granted to certain significant stockholders), except with respect to certain substitute options granted in connection with a corporate transaction. The term of a stock option may not be longer than ten years (or five years in the case of ISOs granted to certain significant stockholders). Vesting conditions determined by the plan administrator may apply to stock options and may include continued service, performance and/or other conditions. ISOs generally may be granted only to our employees and employees of our parent or subsidiary corporations, if any.

SARs. SARs entitle their holder, upon exercise, to receive from us an amount equal to the appreciation of the shares subject to the award between the grant date and the exercise date. The exercise price of a SAR will not be less than 100% of the fair market value of the underlying share on the date of grant (except with respect to certain substitute SARs granted in connection with a corporate transaction), and the term of a SAR may not be longer than ten years. Vesting conditions determined by the plan administrator may apply to SARs and may include continued service, performance and/or other conditions.

Restricted Stock and RSUs. Restricted stock is an award of nontransferable shares of our common stock that remain forfeitable unless and until specified conditions are met, and which may be subject to a purchase price. RSUs are contractual promises to deliver shares of our common stock in the future, which may also remain forfeitable unless and until specified conditions are met and may be accompanied by the right to receive the equivalent value of dividends paid on shares of our common stock prior to the delivery of the underlying shares. Delivery of the shares underlying RSUs may be deferred under the terms of the award or at the election of the participant, if the plan administrator permits such a deferral. Conditions applicable to restricted stock and RSUs may be based on continuing service, the attainment of performance goals and/or such other conditions as the plan administrator may determine.

Other Stock or Cash Based Awards. Other stock or cash based awards are awards of cash, fully vested shares of our common stock and other awards valued wholly or partially by referring to, or otherwise based on, shares of our common stock. Other stock or cash based awards may be granted to participants and may also be available as a payment form in the settlement of other awards, as standalone payments and as payment in lieu of base salary, bonus, fees or other cash compensation otherwise payable to any individual who is eligible to receive awards. The plan administrator will determine the terms and conditions of other stock or cash based awards, which may include vesting conditions based on continued service, performance and/or other conditions.

Performance Awards

Performance awards include any of the foregoing awards that are granted subject to vesting and/or payment based on the attainment of specified performance goals or other criteria the plan administrator may determine, which may or may not be objectively determinable. Performance criteria upon which performance goals are established by the plan administrator may include: net earnings or losses (either before or after one or more of interest, taxes, depreciation, amortization and non-cash equity-based compensation expense); gross or net sales or revenue or sales or revenue growth; net income (either before or after taxes) or adjusted net income; profits (including, but not limited to, gross profits, net profits, profit growth, net operation profit or economic profit), profit return ratios or operating margin; budget or operating earnings (either before or after taxes or before or after allocation of corporate overhead and bonus); cash flow (including operating cash flow and free cash flow or cash flow return on capital); return on assets; return on capital or invested capital; cost of capital; return on stockholders' equity; total stockholder return; return on sales; costs, reductions in costs and cost control measures; expenses; working capital; earnings or loss per share; adjusted earnings or loss per share; price per share or dividends per share (or appreciation in or maintenance of such price or dividends); regulatory achievements or compliance; implementation, completion or attainment of objectives relating to research, development, regulatory, commercial or strategic milestones or developments; market share; economic value or economic value added models; division, group or corporate financial goals; customer satisfaction/growth; customer service; employee satisfaction; recruitment and maintenance of personnel; human resources

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management; supervision of litigation and other legal matters; strategic partnerships and transactions; financial ratios (including those measuring liquidity, activity, profitability or leverage); debt levels or reductions; sales-related goals; financing and other capital raising transactions; cash on hand; acquisition activity; investment sourcing activity; and marketing initiatives, any of which may be measured in absolute terms or as compared to any incremental increase or decrease. Such performance goals also may be based solely by reference to our performance or the performance of a subsidiary, division, business segment or business unit, or based upon performance relative to performance of other companies or upon comparisons of any of the indicators of performance relative to performance of other companies.

Provisions of the 2016 Plan Relating to Director Compensation

The 2016 Plan provides that the plan administrator may establish compensation for non-employee directors from time to time subject to the 2016 Plan's limitations. Prior to commencing this offering, our stockholders will approve the initial terms of our non-employee director compensation program, which is described below under the heading "—Director Compensation." Our board of directors or its authorized committee may modify the non-employee director compensation program from time to time in the exercise of its business judgment, taking into account such factors, circumstances and considerations as it shall deem relevant from time to time, provided that the sum of any cash compensation or other compensation and the grant date fair value (as determined in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, or any successor thereto) of any equity awards granted as compensation for services as a non-employee director during any fiscal year may not exceed \$ _____, increased to \$ _____, in the fiscal year of a non-employee director's initial service as a non-employee director. The plan administrator may make exceptions to this limit for individual non-employee directors in extraordinary circumstances, as the plan administrator may determine in its discretion, provided that the non-employee director receiving such additional compensation may not participate in the decision to award such compensation or in other contemporaneous compensation decisions involving non-employee directors.

Certain Transactions

In connection with certain transactions and events affecting our common stock, including a change in control, or change in any applicable laws or accounting principles, the plan administrator has broad discretion to take action under the 2016 Plan to prevent the dilution or enlargement of intended benefits, facilitate such transaction or event, or give effect to such change in applicable laws or accounting principles. This includes canceling awards, accelerating the vesting of awards, providing for the assumption or substitution of awards by a successor entity, adjusting the number and type of shares available and replacing or terminating awards under the 2016 Plan. In the event of a change in control where the acquirer does not assume awards granted under the 2016 Plan, awards issued under the 2016 Plan will be subject to accelerated vesting such that 100% of the awards will become vested and exercisable or payable, as applicable. In addition, in the event of certain non-reciprocal transactions with our stockholders, or an "equity restructuring," the plan administrator will make equitable adjustments to the 2016 Plan and outstanding awards as it deems appropriate to reflect the equity restructuring.

Foreign Participants, Claw-Back Provisions, Transferability and Participant Payments

With respect to foreign participants, the plan administrator may modify award terms, establish subplans and/or adjust other terms and conditions of awards, subject to the share limits described above. All awards will be subject to the provisions of any claw-back policy implemented by our company to the extent set forth in such claw-back policy or in the applicable award agreement. With limited exceptions for estate planning, domestic relations orders, certain beneficiary designations and the laws of descent and distribution, awards under the 2016 Plan are generally non-transferable prior to vesting, and are exercisable only by the participant. With regard to tax withholding obligations arising in connection with awards under the 2016 Plan and exercise price obligations arising in connection with the exercise of stock options under the 2016 Plan, the plan administrator may, in its

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discretion, accept cash, wire transfer, or check, shares of our common stock that meet specified conditions, a “market sell order” or such other consideration as it deems suitable or any combination of the foregoing.

Plan Amendment and Termination

Our board of directors may amend or terminate the 2016 Plan at any time; however, except in connection with certain changes in our capital structure, stockholder approval will be required for any amendment that increases the number of shares available under the 2016 Plan. The plan administrator will have the authority, without the approval of our stockholders, to amend any outstanding stock option or SAR to reduce its price per share. No award may be granted pursuant to the 2016 Plan after the tenth anniversary of the date on which our board of directors adopts the 2016 Plan.

Securities Laws and Federal Income Taxes. The 2016 Plan is designed to comply with various securities and federal tax laws as follows:

Securities Laws. The 2016 Plan is intended to conform to all provisions of the Securities Act of 1933, as amended, and the Exchange Act and any and all regulations and rules promulgated by the SEC thereunder, including, without limitation, Rule 16b-3. The 2016 Plan will be administered, and awards will be granted and may be exercised, only in such a manner as to conform to such laws, rules and regulations.

Federal Income Tax Consequences

The material federal income tax consequences of the 2016 Plan under current federal income tax law are summarized in the following discussion, which deals with the general tax principles applicable to the 2016 Plan. The following discussion is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change. Foreign, state and local tax laws, and employment, estate and gift tax considerations are not discussed due to the fact that they may vary depending on individual circumstances and from locality to locality.

Stock Options and SARs. A 2016 Plan participant generally will not recognize taxable income and we generally will not be entitled to a tax deduction upon the grant of a stock option or SAR. The tax consequences of exercising a stock option and the subsequent disposition of the shares received upon exercise will depend upon whether the option qualifies as an ISO or an NSO. Upon exercising an NSO when the fair market value of our stock is higher than the exercise price of the option, a 2016 Plan participant generally will recognize taxable income at ordinary income tax rates equal to the excess of the fair market value of the stock on the date of exercise over the purchase price, and we (or our subsidiaries, if any) generally will be entitled to a corresponding tax deduction for compensation expense, in the amount equal to the amount by which the fair market value of the shares purchased exceeds the purchase price for the shares. Upon a subsequent sale or other disposition of the option shares, the participant will recognize a short-term or long-term capital gain or loss in the amount of the difference between the sales price of the shares and the participant’s tax basis in the shares.

Upon exercising an ISO, a 2016 Plan participant generally will not recognize taxable income, and we will not be entitled to a tax deduction for compensation expense. However, upon exercise, the amount by which the fair market value of the shares purchased exceeds the purchase price will be an item of adjustment for alternative minimum tax purposes. The participant will recognize taxable income upon a sale or other taxable disposition of the option shares. For federal income tax purposes, dispositions are divided into two categories: qualifying and disqualifying. A qualifying disposition generally occurs if the sale or other disposition is made more than two years after the date the option was granted and more than one year after the date the shares are transferred upon exercise. If the sale or disposition occurs before these two periods are satisfied, then a disqualifying disposition generally will result.

Upon a qualifying disposition of ISO shares, the participant will recognize long-term capital gain in an amount equal to the excess of the amount realized upon the sale or other disposition of the shares over their

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purchase price. If there is a disqualifying disposition of the shares, then the excess of the fair market value of the shares on the exercise date (or, if less, the price at which the shares are sold) over their purchase price will be taxable as ordinary income to the participant. If there is a disqualifying disposition in the same year of exercise, it eliminates the item of adjustment for alternative minimum tax purposes. Any additional gain or loss recognized upon the disposition will be recognized as a capital gain or loss by the participant.

We will not be entitled to any tax deduction if the participant makes a qualifying disposition of ISO shares. If the participant makes a disqualifying disposition of the shares, we should be entitled to a tax deduction for compensation expense in the amount of the ordinary income recognized by the participant.

Upon exercising or settling an SAR, a 2016 Plan participant will recognize taxable income at ordinary income tax rates, and we should be entitled to a corresponding tax deduction for compensation expense, in the amount paid or value of the shares issued upon exercise or settlement. Payments in shares will be valued at the fair market value of the shares at the time of the payment, and upon the subsequent disposition of the shares the participant will recognize a short-term or long-term capital gain or loss in the amount of the difference between the sales price of the shares and the participant's tax basis in the shares.

Restricted Stock and RSUs. A 2016 Plan participant generally will not recognize taxable income at ordinary income tax rates and we generally will not be entitled to a tax deduction upon the grant of restricted stock or RSUs. Upon the termination of restrictions on restricted stock or the payment of RSUs, the participant will recognize taxable income at ordinary income tax rates, and we should be entitled to a corresponding tax deduction for compensation expense, in the amount paid to the participant or the amount by which the then fair market value of the shares received by the participant exceeds the amount, if any, paid for them. Upon the subsequent disposition of any shares, the participant will recognize a short-term or long-term capital gain or loss in the amount of the difference between the sales price of the shares and the participant's tax basis in the shares. However, a 2016 Plan participant granted restricted stock that is subject to forfeiture or repurchase through a vesting schedule such that it is subject to a "risk of forfeiture" (as defined in Section 83 of the Code) may make an election under Section 83(b) of the Code to recognize taxable income at ordinary income tax rates, at the time of the grant, in an amount equal to the fair market value of the shares of common stock on the date of grant, less the amount paid, if any, for such shares. We will be entitled to a corresponding tax deduction for compensation, in the amount recognized as taxable income by the participant. If a timely Section 83(b) election is made, the participant will not recognize any additional ordinary income on the termination of restrictions on restricted stock, and we will not be entitled to any additional tax deduction.

Other Stock or Cash Based Awards. A 2016 Plan participant will not recognize taxable income and we will not be entitled to a tax deduction upon the grant of other stock or cash based awards until cash or shares are paid or distributed to the participant. At that time, any cash payments or the fair market value of shares that the participant receives will be taxable to the participant at ordinary income tax rates and we should be entitled to a corresponding tax deduction for compensation expense. Payments in shares will be valued at the fair market value of the shares at the time of the payment, and upon the subsequent disposition of the shares, the participant will recognize a short-term or long-term capital gain or loss in the amount of the difference between the sales price of the shares and the participant's tax basis in the shares.

2013 Equity Incentive Plan

In June 2013, our board of directors and stockholders approved the Airgain, Inc. 2013 Equity Incentive Plan, or the 2013 Plan.

A total of 17,000,000 shares of our common stock are reserved for issuance under the 2013 Plan. As of June 30, 2016, 9,861,922 shares of our common stock were subject to outstanding option awards and 4,245,238 shares of our common stock remained available for future issuance. After the effective date of the

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2016 Plan, no additional awards will be granted under the 2013 Plan. The common stock subject to outstanding option awards includes 2,609,240 shares of restricted common stock that have vested as of June 30, 2016.

Administration. The compensation committee of our board of directors administers the 2013 Plan, except with respect to any award granted to non-employee directors (as defined in the 2013 Plan), which must be administered by our full board of directors. Subject to the terms and conditions of the 2013 Plan, the administrator has the authority to select the persons to whom awards are to be made, to determine the type or types of awards to be granted to each person, determine the number of awards to grant, determine the number of shares to be subject to such awards, and the terms and conditions of such awards, and make all other determinations and decisions and to take all other actions necessary or advisable for the administration of the 2013 Plan. The plan administrator is also authorized to establish, adopt, amend or revise rules relating to administration of the 2013 Plan, subject to certain restrictions.

Eligibility. Options, SARs, restricted stock and other awards under the 2013 Plan may be granted to individuals who are then our employees, consultants and members of our board of directors and our subsidiaries. Only employees may be granted ISOs.

Awards. The 2013 Plan provides that our administrator may grant or issue stock options, restricted stock, restricted stock units, other stock-based awards, or any combination thereof. The administrator considers each award grant subjectively, considering factors such as the individual performance of the recipient and the anticipated contribution of the recipient to the attainment of our long-term goals. Each award is set forth in a separate agreement with the person receiving the award and indicates the type, terms and conditions of the award.

- NQSOs provide for the right to purchase shares of our common stock at a specified price which may not be less than the fair market value of a share of stock on the date of grant, and usually will become exercisable (at the discretion of our compensation committee or the board of directors, in the case of awards to non-employee directors) in one or more installments after the grant date, subject to the participant's continued employment or service with us and/or subject to the satisfaction of performance targets established by our compensation committee (or the board of directors, in the case of awards to non-employee directors). NQSOs may be granted for any term specified by our compensation committee (or the board of directors, in the case of awards to non-employee directors), but the term may not exceed ten years.
- ISOs are designed to comply with the provisions of the Code and are subject to specified restrictions contained in the Internal Revenue Code applicable to ISOs. Among such restrictions, ISOs must have an exercise price of not less than the fair market value of a share of common stock on the date of grant, may only be granted to employees, must expire within a specified period of time following the optionee's termination of employment, and must be exercised within the ten years after the date of grant. In the case of an ISO granted to an individual who owns (or is deemed to own) more than 10% of the total combined voting power of all classes of our capital stock on the date of grant, the 2013 Plan provides that the exercise price must be at least 110% of the fair market value of a share of common stock on the date of grant and the ISO must expire on the fifth anniversary of the date of its grant.
- Restricted stock may be granted to participants and made subject to such restrictions as may be determined by the administrator. Typically, restricted stock may be repurchased by us at the original purchase price or, if no cash consideration was paid for such stock, forfeited for no consideration if the conditions or restrictions are not met, and the restricted stock may not be sold or otherwise transferred to third parties until restrictions are removed or expire. Recipients of restricted stock, unlike recipients of options, may have voting rights and may receive dividends, if any, prior to when the restrictions lapse.
- Restricted stock units may be awarded to participants, typically without payment of consideration or for a nominal purchase price, but subject to vesting conditions including continued employment or performance criteria established by the administrator. Like restricted stock, restricted stock units may

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not be sold or otherwise transferred or hypothecated until vesting conditions are removed or expire. Unlike restricted stock, stock underlying restricted stock units will not be issued until sometime after the restricted stock units have vested, and recipients of restricted stock units generally will have no voting or dividend rights prior to the time when vesting conditions are satisfied and the shares have been issued.

- Other stock-based awards may entitle participants to receive shares of our common stock in the future. Other stock-based awards may also be a form of payment in the settlement of other awards granted under the 2013 Plan, as stand-alone payments and/or as payment in lieu of compensation to which a participant is otherwise entitled. Other stock-based awards may be paid in shares of our common stock, cash or other property, as the plan administrator shall determine.

Corporate Transactions. In the event of a change of control where the acquirer does not assume awards granted under the 2013 Plan, awards issued under the 2013 Plan will be subject to accelerated vesting such that 100% of the awards will become vested and exercisable or payable, as applicable, immediately prior to the change in control. Under the 2013 Plan, a change of control is generally defined as:

- a merger or consolidation of the company with or into any other corporation or other entity or person;
- a sale, lease, exchange or other transfer in one transaction or a series of related transactions of all or substantially all of the Company's assets; or
- any other transaction, including the sale by us of new shares of our capital stock or a transfer of existing shares of our capital stock, the result of which is that a third party that is not an affiliate of us or our shareholders (or a group of third parties not affiliated with us or our shareholders) immediately prior to such transaction acquires or holds capital stock representing a majority of our outstanding voting power immediately following such transaction;

provided that the following events shall not constitute a "change in control" under the 2013 Plan:

- a transaction (other than a sale of all or substantially all of our assets) in which the holders of our voting securities immediately prior to the merger or consolidation hold, directly or indirectly, at least a majority of the voting securities in the successor corporation or its parent immediately after the merger or consolidation;
- a sale, lease, exchange or other transaction in one transaction or a series of related transactions of all or substantially all of our assets to an affiliate of ours;
- an initial public offering of any of our securities;
- a reincorporation solely to change our jurisdiction; or
- a transaction undertaken for the primary purpose of creating a holding company that will be owned in substantially the same proportion by the persons who held our securities immediately before such transaction.

Amendment and Termination of the 2013 Plan. Our board of directors may terminate, amend or modify the 2013 Plan. However, stockholder approval of any amendment to the 2013 Plan must be obtained to the extent necessary and desirable to comply with any applicable law, regulation or stock exchange rule, or for any amendment to the 2013 Plan that increases the number of shares available under the 2013 Plan. The administrator may, with the consent of the affected option holders, cancel any or all outstanding awards under the 2013 Plan and grant new awards in substitution. If not terminated earlier by the compensation committee or the board of directors, the 2013 Plan will terminate on June 3, 2023.

Securities Laws and Federal Income Taxes. The 2013 Plan is designed to comply with applicable securities laws in the same manner as described above in the description of the 2016 Plan under the heading "—2016

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Incentive Award Plan—Securities Laws and Federal Income Taxes—Securities Laws.” The general federal tax consequences of awards under the 2013 Plan are the same as those described above in the description of the 2016 Plan under the heading “—2016 Incentive Award Plan—Securities Laws and Federal Income Taxes—Federal Income Tax Consequences.”

2003 Equity Incentive Plan

In May 2003, our board of directors and stockholders approved the Airgain, Inc. 2003 Equity Incentive Plan, or the 2003 Plan.

A total of 6,000,000 shares of our common stock were reserved for issuance under the 2003 Plan. As of June 30, 2016, 1,265,500 shares of our common stock were subject to outstanding option awards under the 2003 Plan. The 2003 Plan expired by its terms in December 2012 and no additional awards will be granted under the 2003 Plan.

Administration. The compensation committee of our board of directors administers the 2003 Plan, except with respect to any award granted to non-employee directors (as defined in the 2003 Plan), which must be administered by our full board of directors. Subject to the terms and conditions of the 2003 Plan, the administrator has the authority to make all determinations and decisions and to take all other actions necessary or advisable for the administration of the 2003 Plan.

Eligibility. Options under the 2003 Plan were able to be granted to individuals who were our employees, consultants and members of our board of directors and our subsidiaries at the time of grant. Only employees were eligible to be granted ISOs.

Awards. The 2003 Plan provided for the grant or issue stock options and stock awards. Only stock options were granted under the 2003 Plan. Each award is set forth in a separate agreement with the person receiving the award and indicates the type, terms and conditions of the award.

- NQSOs provide for the right to purchase shares of our common stock at a specified price which may not be less than the fair market value of a share of stock on the date of grant, and usually will become exercisable (at the discretion of our compensation committee or the board of directors, in the case of awards to non-employee directors) in one or more installments after the grant date, subject to the participant’s continued employment or service with us and/or subject to the satisfaction of performance targets established by our compensation committee (or the board of directors, in the case of awards to non-employee directors). NQSOs may be granted for any term specified by our compensation committee (or the board of directors, in the case of awards to non-employee directors), but the term may not exceed ten years.
- ISOs are designed to comply with the provisions of the Code and are subject to specified restrictions contained in the Code applicable to ISOs. Among such restrictions, ISOs must have an exercise price of not less than the fair market value of a share of common stock on the date of grant, may only be granted to employees, must expire within a specified period of time following the optionee’s termination of employment, and must be exercised within the ten years after the date of grant. In the case of an ISO granted to an individual who owns (or is deemed to own) more than 10% of the total combined voting power of all classes of our capital stock on the date of grant, the 2003 Plan provides that the exercise price must be at least 110% of the fair market value of a share of common stock on the date of grant and the ISO must expire on the fifth anniversary of the date of its grant.

Corporate Transactions. In the event of a change of control where the acquirer does not assume awards granted under the 2003 Plan, awards issued under the 2003 Plan will terminate if not exercised (to the extent then vested and exercisable) prior to such transaction.

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Amendment of the 2003 Plan. Our board of directors may amend or modify the 2003 Plan. However, stockholder approval of any amendment to the 2003 Plan must be obtained to the extent necessary and desirable to comply with any applicable law, regulation or stock exchange rule.

Securities Laws and Federal Income Taxes. The 2003 Plan is designed to comply with applicable securities laws in the same manner as described above in the description of the 2016 Plan under the heading “—2016 Incentive Award Plan—Securities Laws and Federal Income Taxes—Securities Laws.” The general federal tax consequences of awards under the 2003 Plan are the same as those described above in the description of the 2016 Plan under the heading “—2016 Incentive Award Plan—Securities Laws and Federal Income Taxes—Federal Income Tax Consequences.”

2016 Employee Stock Purchase Plan

In connection with this offering, we intend to adopt and ask our stockholders to approve a 2016 Employee Stock Purchase Plan, or the ESPP. The material terms of the ESPP, as it is currently contemplated, are summarized below. Our board of directors is still in the process of considering the ESPP and, accordingly, this summary is subject to change.

Shares Available; Administration. A total of shares of our common stock are initially reserved for issuance under our ESPP. In addition, the number of shares available for issuance under the ESPP will be annually increased on January 1 of each calendar year beginning in 2017 and ending in 2026, by an amount equal to the least of: (a) shares, (b) 1% of the shares outstanding on the final day of the immediately preceding calendar year and (c) such smaller number of shares as is determined by our board of directors.

Our board of directors or its committee will have authority to interpret the terms of the ESPP and determine eligibility of participants. We expect that the compensation committee will be the initial administrator of the ESPP.

Eligibility. Our employees are eligible to participate in the ESPP if they are customarily employed by us or a participating subsidiary for more than 20 hours per week and more than five months in any calendar year. However, an employee may not be granted rights to purchase stock under our ESPP if such employee, immediately after the grant, would own (directly or through attribution) stock possessing 5% or more of the total combined voting power or value of all classes of our common or other class of stock.

Grant of Rights. The ESPP is intended to qualify under Section 423 of the Internal Revenue Code and stock will be offered under the ESPP during offering periods. The length of the offering periods under the ESPP will be determined by the plan administrator and may be up to 27 months long. Employee payroll deductions will be used to purchase shares on each purchase date during an offering period. The purchase dates for each offering period will be the final trading day in each offering period. Offering periods under the ESPP will commence when determined by the plan administrator. The plan administrator may, in its discretion, modify the terms of future offering periods.

The ESPP permits participants to purchase common stock through payroll deductions of up to % of their eligible compensation, which includes a participant’s gross base compensation for services to us, including overtime payments and excluding sales commissions, incentive compensation, bonuses, expense reimbursements, fringe benefits and other special payments. The plan administrator will establish a maximum number of shares that may be purchased by a participant during any offering period, which, in the absence of a contrary designation, will be shares. In addition, no employee will be permitted to accrue the right to purchase stock under the ESPP at a rate in excess of \$25,000 worth of shares during any calendar year during which such a purchase right is outstanding (based on the fair market value per share of our common stock as of the first day of the offering period).

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On the first trading day of each offering period, each participant will automatically be granted an option to purchase shares of our common stock. The option will expire at the end of the applicable offering period, and will be exercised at that time to the extent of the payroll deductions accumulated during the offering period. The purchase price of the shares, in the absence of a contrary determination by the plan administrator, will be 85% of the lower of the fair market value of our common stock on the first trading day of the offering period or on the purchase date, which will be the final trading day of the offering period. Participants may voluntarily end their participation in the ESPP at any time at least one week prior to the end of the applicable offering period, and will be paid their accrued payroll deductions that have not yet been used to purchase shares of common stock. Participation ends automatically upon a participant's termination of employment.

A participant may not transfer rights granted under the ESPP other than by will, the laws of descent and distribution or as otherwise provided under the ESPP.

Certain Transactions. In the event of certain transactions or events affecting our common stock, such as any stock dividend or other distribution, change in control, reorganization, merger, consolidation or other corporate transaction, the plan administrator will make equitable adjustments to the ESPP and outstanding rights. In addition, in the event of the foregoing transactions or events or certain significant transactions, including a change in control, the plan administrator may provide for (1) either the replacement of outstanding rights with other rights or property or termination of outstanding rights in exchange for cash, (2) the assumption or substitution of outstanding rights by the successor or survivor corporation or parent or subsidiary thereof, if any, (3) the adjustment in the number and type of shares of stock subject to outstanding rights, (4) the use of participants' accumulated payroll deductions to purchase stock on a new purchase date prior to the next scheduled purchase date and termination of any rights under ongoing offering periods or (5) the termination of all outstanding rights. Under the ESPP, a change in control has the same definition as given to such term in the 2016 Plan.

Plan Amendment. The plan administrator may amend, suspend or terminate the ESPP at any time. However, stockholder approval of any amendment to the ESPP will be obtained for any amendment which increases the aggregate number or changes the type of shares that may be sold pursuant to rights under the ESPP, changes the corporations or classes of corporations whose employees are eligible to participate in the ESPP or changes the ESPP in any manner that would cause the ESPP to no longer be an employee stock purchase plan within the meaning of Section 423(b) of the Internal Revenue Code.

Securities Laws. The ESPP has been designed to comply with various securities laws in the same manner as described above in the description of the 2016 Plan.

Federal Income Taxes. The material federal income tax consequences of the ESPP under current federal income tax law are summarized in the following discussion, which deals with the general tax principles applicable to the ESPP. The following discussion is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change. Foreign, state and local tax laws, and employment, estate and gift tax considerations are not discussed due to the fact that they may vary depending on individual circumstances and from locality to locality.

The ESPP, and the right of participants to make purchases thereunder, is intended to qualify under the provisions of Section 423 of the Code. Under the applicable Code provisions, no income will be taxable to a participant until the sale or other disposition of the shares purchased under the ESPP. This means that an eligible employee will not recognize taxable income on the date the employee is granted an option under the ESPP (i.e., the first day of the offering period). In addition, the employee will not recognize taxable income upon the purchase of shares. Upon such sale or disposition, the participant will generally be subject to tax in an amount that depends upon the length of time such shares are held by the participant prior to disposing of them. If the shares are sold or disposed of more than two years from the first day of the offering period during which the shares were purchased and more than one year from the date of purchase, or if the participant dies while holding

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the shares, the participant (or his or her estate) will recognize ordinary income measured as the lesser of: (1) the excess of the fair market value of the shares at the time of such sale or disposition over the purchase price; or (2) an amount equal to 15% of the fair market value of the shares as of the first day of the offering period. Any additional gain will be treated as long-term capital gain. If the shares are held for the holding periods described above but are sold for a price that is less than the purchase price, there is no ordinary income and the participating employee has a long-term capital loss for the difference between the sale price and the purchase price.

If the shares are sold or otherwise disposed of before the expiration of the holding periods described above, the participant will recognize ordinary income generally measured as the excess of the fair market value of the shares on the date the shares are purchased over the purchase price and we will be entitled to a tax deduction for compensation expense in the amount of ordinary income recognized by the employee. Any additional gain or loss on such sale or disposition will be long-term or short-term capital gain or loss, depending on how long the shares were held following the date they were purchased by the participant prior to disposing of them. If the shares are sold or otherwise disposed of before the expiration of the holding periods described above but are sold for a price that is less than the purchase price, the participant will recognize ordinary income equal to the excess of the fair market value of the shares on the date of purchase over the purchase price (and we will be entitled to a corresponding deduction), but the participant generally will be able to report a capital loss equal to the difference between the sales price of the shares and the fair market value of the shares on the date of purchase.

Limitations of Liability and Indemnification Matters

Our certificate of incorporation and amended and restated bylaws that will go into effect prior to the closing of this offering provide that we will indemnify our directors and officers to the fullest extent permitted by the Delaware General Corporation Law, which prohibits our certificate of incorporation from limiting the liability of our directors for the following:

- any breach of the director's duty of loyalty to us or our stockholders;
- acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- unlawful payment of dividends or unlawful stock repurchases or redemptions; or
- any transaction from which the director derived an improper personal benefit.

Our certificate of incorporation and our amended and restated bylaws also provide that if Delaware law is amended to authorize corporate action further eliminating or limiting the personal liability of a director, then the liability of our directors will be eliminated or limited to the fullest extent permitted by Delaware law, as so amended. This limitation of liability does not apply to liabilities arising under the federal securities laws and does not affect the availability of equitable remedies such as injunctive relief or rescission.

Our certificate of incorporation and our amended and restated bylaws also provide that we shall have the power to indemnify our employees and agents to the fullest extent permitted by law. Our amended and restated bylaws also permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in this capacity, regardless of whether our amended and restated bylaws would permit indemnification. We have obtained directors' and officers' liability insurance.

We have entered into separate indemnification agreements with our directors and executive officers, in addition to indemnification provided for in our certificate of incorporation and amended and restated bylaws. These agreements, among other things, provide for indemnification of our directors and executive officers for expenses, judgments, fines and settlement amounts incurred by this person in any action or proceeding arising out of this person's services as a director or executive officer or at our request. We believe that these provisions

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in our certificate of incorporation and amended and restated bylaws and indemnification agreements are necessary to attract and retain qualified persons as directors and executive officers.

The above description of the indemnification provisions of our certificate of incorporation, our amended and restated bylaws and our indemnification agreements is not complete and is qualified in its entirety by reference to these documents, each of which is filed as an exhibit to the registration statement of which this prospectus is a part.

The limitation of liability and indemnification provisions in our certificate of incorporation and amended and restated bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against directors and officers, even though an action, if successful, might benefit us and our stockholders. A stockholder's investment may be harmed to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions. Insofar as indemnification for liabilities under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable. There is no pending litigation or proceeding naming any of our directors or officers as to which indemnification is being sought, nor are we aware of any pending or threatened litigation that may result in claims for indemnification by any director or officer.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

We describe below the transactions and series of similar transactions, since January 1, 2013, to which we were a party or will be a party, in which:

- the amounts involved exceeded or will exceed \$120,000; and
- any of our directors, executive officers, holders of more than 5% of our capital stock or any member of their immediate family had or will have a direct or indirect material interest, other than equity and other compensation, termination, change in control and other arrangements with directors and executive officers, which are described where required under the section above titled “Executive Compensation.”

Convertible Note and Warrant Financing

Convertible Note and Warrant Financing. From 2010 through 2011, we sold to investors in private placements an aggregate of \$3.0 million of convertible promissory notes, or the 2011 Notes, and 8,099,723 warrants to purchase shares of our Series G preferred redeemable convertible stock, or the 2011 Warrants. In June 2012, in accordance with the terms of the 2011 Notes, the principal and accrued interest balance totaling \$7.1 million converted into 6,680,463 shares of our Series G preferred redeemable convertible stock at a conversion price of \$1.04 per share. In May 2016, the 2011 Warrants were amended to provide for the automatic net exercise of the 2011 Warrants into shares of our common stock, and we issued an aggregate of 1,271,507 shares of our common stock in connection with such net exercise. The following table sets forth the aggregate number of 2011 Warrants and shares of common stock acquired by members of our board of directors and the holders of more than 5% of our capital stock or their affiliates.

<u>Directors and 5% or Greater Stockholders(1)</u>	<u>Series G Warrants</u>	<u>Number of Shares of Common Stock Issued Upon Net Exercise of Warrants</u>
GEN3 Capital I, LP	3,177,265	512,461
Northwater Intellectual Property Fund L.P. 1	3,609,957	582,250
Arthur Toscanini	57,692	9,305

(1) Additional details regarding these stockholders and their equity holdings are provided in “Principal Stockholders” below.

Jim K. Sims, Francis X. Egan and Arthur M. Toscanini, members of our board of directors, are affiliated with GEN3 Capital. Mr. Egan and Frances Kordyback, members of our board of directors, are affiliated with Northwater Intellectual Property Fund L.P.1.

Investors’ Rights Agreement

We entered into a fourth amended and restated investors’ rights agreement in May 2008 with the holders of our preferred stock, including entities with which certain of our directors are affiliated. This agreement provides for certain rights relating to the registration of their shares of common stock issuable upon conversion of their preferred stock, a right of first refusal for certain holders of preferred stock to purchase future securities sold by us and certain additional covenants made by us. Except for the registration rights (including the related provisions pursuant to which we have agreed to indemnify the parties to the investors’ rights agreement), all rights under this agreement will terminate upon the closing of this offering. The registration rights will continue following this offering and will terminate three years following the closing of a firm commitment underwritten offering, or for any particular holder with registration rights, at such time following this offering when such holder may sell all of such shares pursuant to Rule 144(b)(1) under the Securities Act. See “Description of Capital Stock—Registration Rights” for additional information.

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Restricted Common Stock

In connection with the execution of his employment agreement, on March 1, 2014, Charles Myers received a grant of 2,609,240 shares of restricted common stock. We provided a loan to Mr. Myers of \$266,282 for the payment of federal and state income taxes payable by him as a result of the issuance of the restricted stock, which loan was evidenced by a promissory note secured by a pledge of the shares. During the year ended December 31, 2015, we forgave the loan and incurred \$266,282 of expense for the loan forgiveness and an additional \$236,414 of expense related to our gross-up payment to Mr. Myers for taxes arising from the loan forgiveness.

Executive Compensation and Employment Arrangements

Please see “Executive Compensation” for information on compensation arrangements with our executive officers and agreements with our executive officers containing compensation and termination provisions, among others.

Director and Officer Indemnification and Insurance

We will enter into indemnification agreements with each of our directors and executive officers, and we maintain directors’ and officers’ liability insurance. These agreements, among other things, require us or will require us to indemnify each director (and in certain cases their related venture capital funds) and executive officer to the fullest extent permitted by Delaware law, including indemnification of expenses such as attorneys’ fees, judgments, fines and settlement amounts incurred by the director or executive officer in any action or proceeding, including any action or proceeding by or in right of us, arising out of the person’s services as a director or executive officer.

Our certificate of incorporation and our amended and restated bylaws provide that we will indemnify each of our directors and officers to the fullest extent permitted by the Delaware General Corporation Law. Further, we have entered into indemnification agreements with each of our directors and officers, and we have purchased a policy of directors’ and officers’ liability insurance that insures our directors and officers against the cost of defense, settlement or payment of a judgment under certain circumstances. For further information, see “Executive Compensation—Limitations of Liability and Indemnification Matters.”

Policies and Procedures Regarding Related Party Transactions

Our board of directors has adopted a written related person transaction policy, to be effective upon the closing of this offering, setting forth the policies and procedures for the review and approval or ratification of related-person transactions. This policy will cover, with certain exceptions set forth in Item 404 of Regulation S-K under the Securities Act, any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships in which we were or are to be a participant, where the amount involved exceeds \$120,000 and a related person had or will have a direct or indirect material interest, including, without limitation, purchases of goods or services by or from the related person or entities in which the related person has a material interest, indebtedness, guarantees of indebtedness and employment by us of a related person. In reviewing and approving any such transactions, our audit committee is tasked to consider all relevant facts and circumstances, including, but not limited to, whether the transaction is on terms comparable to those that could be obtained in an arm’s length transaction and the extent of the related person’s interest in the transaction. All of the transactions described in this section occurred prior to the adoption of this policy.

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PRINCIPAL STOCKHOLDERS

The following table sets forth information regarding beneficial ownership of our common stock, as of June 30, 2016, and as adjusted to reflect the shares of common stock to be issued and sold in this offering, by:

- each person, or group of affiliated persons, known by us to be the beneficial owner of more than 5% of our common stock;
- each of our named executive officers;
- each of our directors; and
- all of our executive officers and directors as a group.

We have determined beneficial ownership in accordance with SEC rules. The information does not necessarily indicate beneficial ownership for any other purpose. Under these rules, the number of shares of common stock deemed outstanding includes shares issuable upon exercise of stock options or warrants held by the respective person or group that may be exercised or converted within 60 days after June 30, 2016. For purposes of calculating each person's or group's percentage ownership, stock options and warrants exercisable within 60 days after June 30, 2016 are included for that person or group but not for any other person or group.

Applicable percentage ownership is based on 39,043,583 shares of common stock outstanding at June 30, 2016 and does not include accumulated dividends, after giving effect to the automatic conversion of all outstanding shares of our preferred stock into 30,808,575 shares of our common stock. The number of shares and percentage of shares beneficially owned after the offering also gives effect to the issuance by us of shares of common stock in this offering and shares of our common stock that will be issued to holders of our Series A, D, E, F and G preferred stock in connection with this offering in satisfaction of accumulated dividends as of June 30, 2016.

Unless otherwise indicated and subject to applicable community property laws, to our knowledge, each stockholder named in the following table possesses sole voting and investment power over the shares listed. Unless otherwise noted below, the address of each person listed on the table is c/o Airgain, Inc., 3611 Valley Centre Drive, Suite 150, San Diego, CA 92130.

<u>Name and Address of Beneficial Owner</u>	<u>Shares Beneficially Owned Prior to the Offering</u>		<u>Shares Beneficially Owned After the Offering</u>	
	<u>Shares(#)</u>	<u>Percentage(%)</u>	<u>Shares(#)</u>	<u>Percentage(%)</u>
5% or Greater Stockholders:				
Entities affiliated with GEN3 Capital(1)	10,112,687	25.9%		
Northwater Intellectual Property Fund L.P. 1(2)	8,240,707	21.1%		
Named Executive Officers and Directors:				
Charles Myers(3)	3,492,573	8.7%		
Leo Johnson(4)	500,000	1.3%		
Glenn Selbo(5)	616,979	1.6%		
Jim K. Sims(1)(6)	11,537,851	29.0%		
Francis X. Egan(1)(2)(7)	18,975,701	48.2%		
Frances Kordyback(2)(8)	8,783,395	22.2%		
Thomas A. Munro(9)	693,136	1.7%		
Arthur M. Toscanini(1)(10)	11,154,474	28.2%		
All current directors and executive officers as a group (8 persons)(11)	27,288,029	62.2%		

* Less than 1%.

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- (1) Consists of (a) 6,896,597 shares of common stock held by GEN3 Capital I, LP, or GEN3 Capital, and (b) 3,216,090 shares of common stock held by Gen 3 Partners, Inc., or Gen 3 Partners. The General Partner of GEN3 Capital is GEN3 Capital Partners, LLC, or GEN3 LLC. Jim K. Sims is a Managing Member of GEN3 LLC and Mr. Egan and Mr. Toscanini are Members of GEN3 LLC, and, together with James M. Sims and Michael Treacy, the other Member of GEN3 LLC, shares voting and investment control over the shares owned by GEN3 Capital. Jim K. Sims is the Chairman of the board of directors of Gen 3 Partners, and, together with Mr. Egan, Mr. Toscanini and Michael Treacy, the other members of the board of directors of Gen 3 Partners, shares voting and investment control over the shares owned by Gen 3 Partners. Mr. Toscanini also serves as the Chief Financial Officer of Gen 3 Partners. As a result, Jim K. Sims, James M. Sims, Mr. Toscanini, Mr. Egan and Mr. Treacy share voting and investment control over the shares owned by Gen 3 Partners and GEN3 Capital and may be deemed to beneficially own such shares. Each of such persons disclaims beneficial ownership of the shares held by Gen 3 Partners and GEN3 Capital, except to the extent of their respective pecuniary interest therein.
- (2) Consists of (i) 8,240,707 shares of common stock held by Northwater Intellectual Property Fund L.P. 1, (ii) 353,613 shares of common stock that Mr. Egan has the right to acquire from us within 60 days of June 30, 2016 pursuant to the exercise of stock options, of which Northwater Intellectual Property Fund L.P. 1 is the indirect beneficial owner, and (iii) 542,688 shares of common stock that Ms. Kordyback has the right to acquire from us within 60 days of June 30, 2016 pursuant to the exercise of stock options, of which Northwater Intellectual Property Fund L.P. 1 is the indirect beneficial owner. Northwater Intellectual Property Fund L.P. 1 is an investment fund managed by Northwater Capital Management, Inc., a registered investment adviser and a wholly owned subsidiary of Northwater Capital Inc. Mr. Egan serves as Managing Director of Northwater Capital Inc., and Ms. Kordyback serves as Managing Director of Northwater Intellectual Property Fund. Mr. Egan and Ms. Kordyback share voting and investment control over the shares owned by Northwater Intellectual Property Fund L.P. 1, and may be deemed to beneficially own such shares. Mr. Egan and Ms. Kordyback disclaim beneficial ownership of the shares held by Northwater Intellectual Property Fund L.P. 1, except to the extent of their respective pecuniary interest therein.
- (3) Consists of 883,333 shares of common stock that Mr. Myers has the right to acquire from us within 60 days of June 30, 2016 pursuant to the exercise of stock options.
- (4) Includes 500,000 shares of common stock that Mr. Johnson has the right to acquire from us within 60 days of June 30, 2016 pursuant to the exercise of stock options.
- (5) Includes 616,979 shares of common stock that Mr. Selbo has the right to acquire from us within 60 days of June 30, 2016 pursuant to the exercise of stock options.
- (6) Includes 728,807 shares of common stock that Mr. Sims has the right to acquire from us within 60 days of June 30, 2016 pursuant to the exercise of stock options.
- (7) Includes 353,613 shares of common stock that Mr. Egan has the right to acquire from us within 60 days of June 30, 2016 pursuant to the exercise of stock options.
- (8) Includes 542,688 shares of common stock that Ms. Kordyback has the right to acquire from us within 60 days of June 30, 2016 pursuant to the exercise of stock options.
- (9) Consists of 693,136 shares of common stock that Mr. Munro has the right to acquire from us within 60 days of June 30, 2016 pursuant to the exercise of stock options.
- (10) Includes 541,803 shares of common stock that Mr. Toscanini has the right to acquire from us within 60 days of June 30, 2016 pursuant to the exercise of stock options.
- (11) Includes shares of common stock issuable upon the exercise of outstanding options, as set forth in the previous footnotes.

DESCRIPTION OF CAPITAL STOCK

General

The following is a summary of the rights of our common stock and preferred stock, certain provisions of our certificate of incorporation and amended and restated bylaws, as they will be in effect upon the closing of this offering, the investors' rights agreement and of the General Corporation Law of the State of Delaware. For more detailed information, please see our certificate of incorporation, amended and restated bylaws and investors' rights agreement, which are filed as exhibits to the registration statement of which this prospectus is a part, as well as the relevant provisions of the General Corporation Law of the State of Delaware. We plan to reincorporate in the State of Delaware prior to the closing of this offering. The description of our common stock and preferred stock reflects changes to our capital structure that will occur upon the closing of this offering.

Our certificate of incorporation as in effect upon the consummation of this offering will provide for one class of common stock. In addition, our certificate of incorporation will authorize shares of undesignated preferred stock, the rights, preferences and privileges of which may be designated from time to time by our board of directors.

Immediately following the closing of this offering, our authorized capital stock will consist of shares, all with a par value of \$0.0001 per share, of which:

- shares are designated as common stock; and
- shares are designated as preferred stock.

As of March 31, 2016, there were 57,376,501 shares of our common stock outstanding and held of record by 103 stockholders, assuming (1) the automatic conversion of all outstanding shares of our preferred stock into 30,808,575 shares of common stock, (2) the issuance of 18,637,918 shares of common stock in satisfaction of accumulated dividends as of March 31, 2016, which will automatically occur prior to the closing of this offering, and (3) the issuance of 1,271,507 shares of common stock to the holders of outstanding warrants, or the 2011 Warrants, as a result of the net exercise of the 2011 Warrants in May 2016. An additional _____ shares of our common stock are issuable to these holders in satisfaction of dividends that accrued from April 1, 2016 to the conversion in connection with the closing of this offering, assuming the closing occurs on _____, 2016.

Common Stock

Voting Rights

Each share of common stock entitles the holder to one vote with respect to each matter presented to our stockholders on which the holders of common stock are entitled to vote, including the election of directors. Holders of our common stock will not have cumulative voting rights. Except in respect of matters relating to the election and removal of directors on our board of directors and as otherwise provided in our certificate of incorporation or required by law, all matters to be voted on by our stockholders must be approved by a majority of the shares present in person or by proxy at the meeting and entitled to vote on the subject matter. In the case of election of directors, all matters to be voted on by our stockholders must be approved by a plurality of the votes entitled to be cast by all shares of common stock. Accordingly, the holders of a majority of the outstanding shares of common stock entitled to vote in any election of directors can elect all of the directors standing for election, if they so choose, other than any directors that holders of any preferred stock we may issue may be entitled to elect.

Dividends

Subject to preferences that may apply to any shares of preferred stock outstanding at the time, the holders of our common stock will be entitled to share equally, identically and ratably in any dividends that our board of directors may determine to issue from time to time.

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Liquidation Rights

In the event of any voluntary or involuntary liquidation, dissolution or winding up of our affairs, holders of our common stock would be entitled to share ratably in our assets that are legally available for distribution to stockholders after payment of our debts and other liabilities. If we have any preferred stock outstanding at such time, holders of the preferred stock may be entitled to distribution and/or liquidation preferences. In either such case, we must pay the applicable distribution to the holders of our preferred stock before we may pay distributions to the holders of our common stock.

Other Rights

Our stockholders will have no preemptive, conversion or other rights to subscribe for additional shares, and there are no redemption or sinking funds provisions applicable to the common stock. All outstanding shares are, and all shares offered by this prospectus will be, when sold, validly issued, fully paid and nonassessable. The rights, preferences and privileges of the holders of our common stock will be subject to, and may be adversely affected by, the rights of the holders of shares of any series of our preferred stock that we may designate and issue in the future.

Preferred Stock

Upon the closing of this offering, all of our previously outstanding shares of preferred stock will have been converted into common stock, there will be no authorized shares of our previously outstanding preferred stock and we will have no shares of preferred stock outstanding. Under the terms of our certificate of incorporation, which will become effective prior to the closing of this offering, our board of directors has the authority, without further action by our stockholders, to issue up to _____ shares of preferred stock in one or more series, to establish from time to time the number of shares to be included in each such series, to fix the dividend, voting and other rights, preferences and privileges of the shares of each wholly unissued series and any qualifications, limitations or restrictions thereon, and to increase or decrease the number of shares of any such series, but not below the number of shares of such series then outstanding.

Our board of directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of the common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring or preventing a change in our control and may adversely affect the market price of the common stock and the voting and other rights of the holders of common stock. We have no current plans to issue any shares of preferred stock.

Options

As of June 30, 2016, options to purchase 11,127,422 shares of our common stock were outstanding, of which 6,086,991 were vested and expected to vest and 10,875,400 were exercisable as of that date.

Warrants

In connection with the completion of this offering, for the price of \$50, Northland Capital Markets may purchase a warrant to purchase shares of our common stock equal to 3.0% of the number of shares sold in this offering at an exercise price that is 150% of the public offering price per share in this offering; provided that the underwriters will only receive such warrants relating to the over-allotment option upon the closing (if any) of the over-allotment option. The underwriter's warrants are exercisable during the period commencing six months from the date of the prospectus and ending five years from the date of this prospectus. The underwriter's warrants may not be sold during this offering, or sold, transferred, assigned, pledged or hypothecated, or be the subject of any hedging, short sale, derivative, put, or call transaction that would result in the effective economic disposition of the underwriter's warrants, or the shares acquirable upon exercise thereof, by any person for a

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period of 180 days immediately following the effective date of this registration statement, except as provided in paragraph (g)(2) of Rule 5110 of FINRA.

Registration Rights

As of June 30, 2016, upon the closing of this offering, holders of _____ shares of our common stock, which includes all of the shares of common stock issuable upon the automatic conversion of our convertible preferred stock prior to the closing of this offering, will be entitled to the following rights with respect to the registration of such shares for public resale under the Securities Act, pursuant to an investors' rights agreement by and among us and certain of our stockholders. The registration of shares of common stock as a result of the following rights being exercised would enable holders to trade these shares without restriction under the Securities Act when the applicable registration statement is declared effective.

Demand Registration Rights

If at any time beginning 180 days following the effective date of the registration statement of which this prospectus is a part, the holders of at least 40% of the registrable securities request in writing that we effect a registration with respect to their shares in an offering with an anticipated aggregate offering price, net of underwriting discounts and commissions, of greater than \$7.5 million, we may be required to register their shares. We are obligated to effect at most two registrations for the holders of registrable securities in response to these demand registration rights, subject to certain exceptions.

If we become entitled under the Securities Act to register our shares on a registration statement on Form S-3 and a holder of registrable securities requests in writing that we register their shares for public resale on Form S-3, the price to the public of the offering is \$1.0 million or more, we will be required to provide notice to all holders of registrable securities and to use our best efforts to effect such registration; provided, however, that we will not be required to effect such a registration if we have already effected two registrations on Form S-3 for the holders of registrable securities.

If the holders requesting registration intend to distribute their shares by means of an underwriting, the underwriter of such offering will have the right to limit the numbers of shares to be underwritten for reasons related to the marketing of the shares.

Piggyback Registration Rights

If at any time following the closing of this offering we propose to register any shares of our common stock under the Securities Act, subject to certain exceptions, the holders of registrable securities will be entitled to notice of the registration and to include their shares of registrable securities in the registration. If our proposed registration involves an underwriting, the managing underwriter of such offering will have the right to limit the number of shares to be underwritten for reasons related to the marketing of the shares.

Expenses

Ordinarily, other than underwriting discounts and commissions, we will be required to pay all reasonable expenses incurred by us related to any registration effected pursuant to the exercise of these registration rights. These expenses may include all registration, filing and qualification fees, printer and accounting fees relating or apportionable thereto, and the reasonable fees and disbursements of one counsel for the selling security holders.

Termination of Registration Rights

The registration rights terminate upon the earlier of three years after the closing of this offering, or for any particular holder with registration rights, at such time following this offering when such holder may sell its shares pursuant to Rule 144(b)(1) under the Securities Act.

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Anti-Takeover Effects of Delaware Law and Our Certificate of Incorporation and Bylaws

Some provisions of Delaware law contain and our certificate of incorporation and our amended and restated bylaws will contain provisions that could make the following transactions more difficult: an acquisition of us by means of a tender offer; an acquisition of us by means of a proxy contest or otherwise; or the removal of our incumbent officers and directors. It is possible that these provisions could make it more difficult to accomplish or could deter transactions that stockholders may otherwise consider to be in their best interest or in our best interests, including transactions which provide for payment of a premium over the market price for our shares.

These provisions, summarized below, are intended to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our board of directors. We believe that the benefits of the increased protection of our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging these proposals because negotiation of these proposals could result in an improvement of their terms.

Undesignated Preferred Stock

The ability of our board of directors, without action by the stockholders, to issue up to 10,000,000 shares of undesignated preferred stock with voting or other rights or preferences as designated by our board of directors could impede the success of any attempt to change control of us. These and other provisions may have the effect of deferring hostile takeovers or delaying changes in control or management of our company.

Stockholder Meetings

Our amended and restated bylaws provide that a special meeting of stockholders may be called only by our chairman of the board, chief executive officer or president, or by a resolution adopted by a majority of our board of directors.

Requirements for Advance Notification of Stockholder Nominations and Proposals

Our amended and restated bylaws establish advance notice procedures with respect to stockholder proposals to be brought before a stockholder meeting and the nomination of candidates for election as directors, other than nominations made by or at the direction of the board of directors or a committee of the board of directors.

Elimination of Stockholder Action by Written Consent

Our certificate of incorporation and amended and restated bylaws eliminate the right of stockholders to act by written consent without a meeting.

Staggered Board

Our board of directors is divided into three classes. The directors in each class will serve for a three-year term, one class being elected each year by our stockholders. For more information on the classified board, see “Management—Board Composition and Election of Directors.” This system of electing and removing directors may tend to discourage a third-party from making a tender offer or otherwise attempting to obtain control of us, because it generally makes it more difficult for stockholders to replace a majority of the directors.

Removal of Directors

Our certificate of incorporation provides that no member of our board of directors may be removed from office by our stockholders except for cause and, in addition to any other vote required by law, upon the approval of not less than two thirds of the total voting power of all of our outstanding voting stock then entitled to vote in the election of directors.

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Stockholders Not Entitled to Cumulative Voting

Our certificate of incorporation does not permit stockholders to cumulate their votes in the election of directors. Accordingly, the holders of a majority of the outstanding shares of our common stock entitled to vote in any election of directors can elect all of the directors standing for election, if they choose, other than any directors that holders of our preferred stock may be entitled to elect.

Delaware Anti-Takeover Statute

We are subject to Section 203 of the Delaware General Corporation Law, which prohibits persons deemed to be “interested stockholders” from engaging in a “business combination” with a publicly held Delaware corporation for three years following the date these persons become interested stockholders unless the business combination is, or the transaction in which the person became an interested stockholder was, approved in a prescribed manner or another prescribed exception applies. Generally, an “interested stockholder” is a person who, together with affiliates and associates, owns, or within three years prior to the determination of interested stockholder status did own, 15% or more of a corporation’s voting stock. Generally, a “business combination” includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. The existence of this provision may have an anti-takeover effect with respect to transactions not approved in advance by the board of directors.

Choice of Forum

Our certificate of incorporation provides that, unless we consent in writing to the selection of an alternative form, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for: (1) any derivative action or proceeding brought on our behalf; (2) any action asserting a claim of breach of a fiduciary duty or other wrongdoing by any of our directors, officers, employees or agents to us or our stockholders; (3) any action asserting a claim against us arising pursuant to any provision of the General Corporation Law of the State of Delaware or our certificate of incorporation or bylaws; (4) any action to interpret, apply, enforce or determine the validity of our certificate of incorporation or bylaws; or (5) any action asserting a claim governed by the internal affairs doctrine. Our certificate of incorporation also provides that any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock will be deemed to have notice of and to have consented to this choice of forum provision. It is possible that a court of law could rule that the choice of forum provision contained in our certificate of incorporation is inapplicable or unenforceable if it is challenged in a proceeding or otherwise.

Amendment of Charter Provisions

The amendment of any of the above provisions, except for the provision making it possible for our board of directors to issue preferred stock, would require approval by holders of at least two thirds of the total voting power of all of our outstanding voting stock.

The provisions of Delaware law, our certificate of incorporation and our amended and restated bylaws could have the effect of discouraging others from attempting hostile takeovers and, as a consequence, they may also inhibit temporary fluctuations in the market price of our common stock that often result from actual or rumored hostile takeover attempts. These provisions may also have the effect of preventing changes in the composition of our board and management. It is possible that these provisions could make it more difficult to accomplish transactions that stockholders may otherwise deem to be in their best interests.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is American Stock Transfer & Trust Company, LLC, or AST. The transfer agent and registrar’s address is 6201 15th Avenue, Brooklyn, New York 11219.

Exchange Listing

We have applied to list our common stock on The NASDAQ Capital Market under the symbol “AIRG.”

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common stock and there can be no assurance that a market for our common stock will develop or be sustained after this offering. Future sales of our common stock in the public market, including shares issued upon exercise of outstanding options or warrants, or the availability of such shares for sale in the public market, could adversely affect the trading price of our common stock. As described below, only a limited number of shares will be available for sale by our existing stockholders shortly after this offering due to contractual and legal restrictions on resale. Sales of our common stock in the public market after such restrictions lapse, or the perception that those sales may occur, could adversely affect the trading price of our common stock at such time and our ability to raise equity capital in the future. Although we have applied to have our common stock listed on The NASDAQ Capital Market, we cannot assure you that there will be an active public market for our common stock.

Based on the number of shares of our common stock outstanding as of March 31, 2016 and assuming (1) the automatic conversion of all outstanding shares of our preferred stock, (2) the issuance of _____ shares in satisfaction of accumulated dividends and the issuance by us of _____ shares in this offering, (3) the issuance of 1,271,507 shares of common stock to the holders of the 2011 Warrants as a result of the net exercise of the 2011 Warrants in May 2016 and (4) no exercise of the underwriters' over-allotment option to purchase additional shares of common stock, upon the closing of this offering we will have outstanding an aggregate of _____ shares of common stock.

All of the shares sold in this offering by us will be freely tradable, except that any shares purchased in this offering by our "affiliates," as that term is defined in Rule 144 under the Securities Act, generally may be sold in the public market only in compliance with Rule 144 under the Securities Act.

The remaining _____ shares of common stock will be deemed "restricted securities" as that term is defined in Rule 144 under the Securities Act. These restricted securities are eligible for public sale only if they are registered under the Securities Act or if they qualify for an exemption from registration under Rule 144 or Rule 701 under the Securities Act, which are summarized below. We expect that substantially all of these restricted securities will be subject to the lock-up agreements described below.

Subject to the lock-up agreements described below and the provisions of Rules 144 and 701 under the Securities Act, these restricted securities will be available for sale in the public market as follows:

<u>Date</u>	<u>Number of Shares</u>
On the date of this prospectus	
Between 90 and 180 days after the date of this prospectus	
At various times beginning more than 180 days after the date of this prospectus	

In addition, of the 11,127,422 shares of our common stock that were subject to stock options outstanding as of June 30, 2016, options to purchase 10,875,400 shares of common stock were vested and expected to vest as of June 30, 2016 and will be eligible for sale 180 days following the effective date of this offering.

Rule 144

Affiliate Resales of Restricted Securities

In general, under Rule 144 under the Securities Act, as in effect on the effective date of registration statement of which this prospectus is a part, a person who is one of our affiliates and has beneficially owned shares of our common stock for at least six months would be entitled to sell in "broker's transactions" or certain "riskless principal transactions" or to market makers, a number of shares within any three-month period, beginning on the date 90 days after the date of this prospectus, that does not exceed the greater of:

- one percent of the number of shares of common stock then outstanding, which will equal approximately _____ shares immediately after the closing of this offering; or

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- the average weekly trading volume of our common stock on NASDAQ during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale.

Sales under Rule 144 by our affiliates or persons selling shares on behalf of our affiliates are also subject to a certain manner of sale provisions and notice requirements and to the availability of current public information about us. In addition, if the number of shares being sold under Rule 144 by an affiliate during any three-month period exceeds 5,000 shares or has an aggregate sale price in excess of \$50,000, the seller must file a notice on Form 144 with the SEC and The NASDAQ Capital Market concurrently with either the placing of a sale order with the broker or the execution of a sale directly with a market maker.

Non-Affiliate Resales of Restricted Securities

In general, under Rule 144 under the Securities Act, as in effect on the effective date of the registration statement of which this prospectus is a part, a person who is not an affiliate of ours at the time of sale, and has not been an affiliate at any time during the three months preceding a sale, and who has beneficially owned the shares proposed to be sold for at least six months but less than a year, including the holding period of any prior owner other than an affiliate, is entitled to sell the shares beginning on the 91st day after the effective date of the registration statement of which this prospectus is a part without complying with the manner of sale, volume limitation or notice provisions of Rule 144, and will be subject only to the current public information requirements of Rule 144. If such person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than our affiliates, then such person is entitled to sell such shares under Rule 144(b)(1) without regard to any Rule 144 restrictions, including the public company requirement and the current public information requirement.

Rule 701

Any of our employees, officers, directors, consultants or advisors who purchased shares under a written compensatory stock or option plan or other written contract may be entitled to sell such shares in reliance on Rule 701. Rule 701 permits affiliates to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144. Rule 701 further provides that non-affiliates may sell these shares in reliance on Rule 144 without complying with the holding period, public information, volume limitation or notice provisions of Rule 144. All holders of Rule 701 shares are required to wait until 90 days after the effective date of a registration statement under the Securities Act before selling those shares. However, substantially all of the shares issued under Rule 701 are subject to the lock-up agreements described below and will only become eligible for sale when the lock-up period expires.

Lock-Up Agreements

We and all of our directors and officers, as well as the other holders of substantially all shares of common stock (including securities exercisable or convertible into our common stock) outstanding immediately prior to this offering, have agreed or will agree that, without the prior written consent of Northland Capital Markets, during the period from the date of this prospectus and ending on the date 180 days after the date of this prospectus, we and they will not, among other things:

- offer, pledge, sell, contract to sell, grant any option to purchase, make any short sale or otherwise dispose of any shares of common stock, options or warrants to purchase shares of our common stock or any securities convertible into or exercisable or exchangeable for shares of our common stock; or
- in our case, file any registration statement with the SEC relating to the offering of any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock; or
- in the case of our directors, officers and other holders of our securities, make any demand for exercise of any rights with respect to the registration of any securities.

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This agreement is subject to certain exceptions. See “Plan of Distribution” below for additional discussion.

Registration Rights

We are party to an investors’ rights agreement which provides that certain stockholders have the right to demand that we file a registration statement or request that their shares of our common stock be covered by a registration statement that we are otherwise filing. See “Description of Capital Stock—Registration Rights” in this prospectus. Registration of their shares under the Securities Act would result in these shares becoming freely tradable without restriction under the Securities Act immediately upon effectiveness of the registration statement, subject to the expiration of the lock-up period described above and under “Plan of Distribution” in this prospectus.

Equity Plan

We intend to file a registration statement on Form S-8 under the Securities Act to register all of the shares of our common stock subject to outstanding stock options or reserved for issuance under our equity incentive plans and employee stock purchase plan. We expect to file this registration statement as soon as practicable after the closing of this offering. However, the shares registered on Form S-8 will be subject to Rule 144 limitations applicable to our affiliates and will not be eligible for resale until expiration of the lock up agreements to which they are subject.

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UNDERWRITING

We have entered into an underwriting agreement with Northland Capital Markets as representative of the several underwriters listed below. In connection with this offering, we have applied to have our common stock listed on The NASDAQ Capital Market under the symbol "AIRG."

The underwriters named below have agreed to buy, subject to the terms of the underwriting agreement, the number of shares of common stock listed opposite its respective name below. The underwriters are committed to purchase and pay for all of the shares if any are purchased, other than those shares covered by the over-allotment option described below. Northland Securities, Inc. is the managing underwriter for the offering.

<u>Underwriter</u>	<u>Number of Shares</u>
Northland Securities, Inc.(1)	
Total	

(1) Northland Capital Markets is the trade name for certain capital markets and investment banking services of Northland Securities, Inc., member FINRA/SIPC

The underwriters have advised us that they propose to offer the shares of common stock to the public at a price of \$ per share. The underwriters propose to offer the shares of common stock to certain dealers at the same price less a concession of not more than \$ per share. After the offering, these figures may be changed by the underwriters.

The shares sold in this offering are expected to be ready for delivery against payment in immediately available funds on or about , 2016, subject to customary closing conditions. The underwriters may reject all or part of any order.

We have granted to the underwriters an option to purchase up to an additional shares of common stock from us at the same price to the public, and with the same underwriting discount, as set forth in the table below. The underwriters may exercise this option any time during the 30-day period after the date of this prospectus, but only to cover over-allotments, if any. To the extent the underwriters exercise the option, the underwriters will become obligated, subject to certain conditions, to purchase the shares for which they exercise the option.

Commissions and Discounts

The table below summarizes the underwriting discounts that we will pay to the underwriters. These amounts are shown assuming both no exercise and full exercise of the over-allotment option. In addition to the underwriting discount, we have agreed to pay up to \$150,000 of the fees and expenses of the underwriters, which may include the fees and expenses of counsel to the underwriters. We have already paid Northland Capital Markets a \$25,000 refundable retainer. The refundable retainer will be applied against reasonable, accountable out-of-pocket expenses actually anticipated to be incurred by the underwriters and related persons and such expenses will be reimbursed to us to the extent not actually incurred pursuant to FINRA Rule 5110(f)(2)(C). We entered into an engagement letter with Northland Capital Markets that may be terminated by any party subject to certain restrictions, pursuant to which Northland Capital Markets provides us with certain financial advisory services. In connection with the successful completion of this offering, for the price of \$50, Northland Capital Markets may purchase a warrant to purchase shares of our common stock equal to 3.0% of the shares sold in this offering at an exercise price that is 150% of the public offering price per share in this offering; provided further, that Northland Capital Markets will only receive such warrants relating to the over-allotment option upon the closing (if any) of the over-allotment option. The underwriter's warrants are exercisable during the period

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commencing six months from the date of the prospectus and ending five years from the date of this prospectus. The underwriter's warrants may not be sold during this offering, or sold, transferred, assigned, pledged or hypothecated, or be the subject of any hedging, short sale, derivative, put, or call transaction that would result in the effective economic disposition of the underwriter's warrants, or the shares acquirable upon exercise thereof, by any person for a period of 180 days immediately following the effective date of this registration statement, except as provided in paragraph (g)(2) of Rule 5110 of FINRA. The fees and expenses of the underwriters that we have agreed to reimburse are not included in the underwriting discounts set forth in the table below.

We granted Northland Capital Markets a right of first refusal to serve as co-manager or joint-bookrunner in connection with future public offering of securities we undertake within one year following the effective date of this offering. In accordance with applicable rules of FINRA, Northland Capital Markets does not have more than one opportunity to waive or terminate the right of first refusal in consideration of any payment or fee, and any payment or fee to waive or terminate the right of first refusal must be paid in cash and have a value not in excess of the greater of 1% of the proceeds in this offering (or, if greater, the maximum amount permitted by FINRA rules for compensation in connection with this offering) or 5% of the underwriting discount or commission paid in connection with any future financing subject to right of first refusal (including any overallotment option that may be exercised). This right of first refusal is not reflected in the table below.

Except as disclosed in this prospectus, the underwriters have not received and will not receive from us any other item of compensation or expense in connection with this offering considered by FINRA to be underwriting compensation under FINRA Rule 5110. The underwriting discount was determined through an arms' length negotiation between us and the underwriters.

	Per Share	Total with no Over-Allotment	Total with Over-Allotment
Underwriting discount to be paid by us	\$	\$	\$

We estimate that the total expenses of this offering, excluding underwriting discounts, will be \$. This includes \$150,000 of fees and expenses of the underwriters. These expenses are payable by us.

Indemnification

We also have agreed to indemnify the underwriters against certain liabilities, including civil liabilities under the Securities Act, or to contribute to payments that the underwriters may be required to make in respect of those liabilities.

No Sales of Common Stock

We and each of our directors and officers have agreed not to offer, sell, agree to sell, directly or indirectly, or otherwise dispose of any shares of common stock or any securities convertible into or exchangeable for shares of common stock without the prior written consent of Northland Capital Markets for a period of 180 days after the date of this prospectus. These lock-up agreements provide limited exceptions and their restrictions may be waived at any time by Northland Capital Markets.

Price Stabilization, Short Positions and Penalty Bids

To facilitate this offering, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of our common stock during and after the offering. Specifically, the underwriters may create a short position in our common stock for their own accounts by selling more shares of common stock than we have sold to the underwriters. The underwriters may close out any short position by purchasing shares in the open market.

In addition, the underwriters may stabilize or maintain the price of our common stock by bidding for or purchasing shares in the open market and may impose penalty bids. If penalty bids are imposed, selling

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concessions allowed to broker-dealers participating in this offering are reclaimed if shares previously distributed in this offering are repurchased, whether in connection with stabilization transactions or otherwise. The effect of these transactions may be to stabilize or maintain the market price of our common stock at a level above that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of our common stock to the extent that it discourages resales of our common stock. The magnitude or effect of any stabilization or other transactions is uncertain. These transactions may be effected on The NASDAQ Capital Market or otherwise and, if commenced, may be discontinued at any time.

In connection with this offering, the underwriters and selling group members may also engage in passive market making transactions in our common stock on The NASDAQ Capital Market. Passive market making consists of displaying bids on The NASDAQ Capital Market limited by the prices of independent market makers and effecting purchases limited by those prices in response to order flow. Rule 103 of Regulation M promulgated by the SEC limits the amount of net purchases that each passive market maker may make and the displayed size of each bid. Passive market making may stabilize the market price of our common stock at a level above that which might otherwise prevail in the open market and, if commenced, may be discontinued at any time.

Neither we nor the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our common stock. In addition, neither we nor the underwriters make any representation that the underwriters will engage in these transactions or that any transaction, if commenced, will not be discontinued without notice.

Electronic Offer, Sale and Distribution of Shares

The underwriters or syndicate members may facilitate the marketing of this offering online directly or through one of their affiliates. In those cases, prospective investors may view offering terms and a prospectus online and place orders online or through their financial advisors. Such websites and the information contained on such websites, or connected to such sites, are not incorporated into and are not a part of this prospectus.

Other Relationships

The underwriters and their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. The underwriters have in the past, and may in the future, engage in investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. The underwriters have in the past, and may in the future, receive customary fees and commissions for these transactions.

In the ordinary course of their various business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of the issuer. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that it acquires, long and/or short positions in such securities and instruments.

Selling Restrictions

Canada. The shares of common stock may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the shares of common stock must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

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Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 *Underwriting Conflicts* (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

European Economic Area. In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive each, a Relevant Member State, no offer to the public of any of our shares of common stock will be made, other than under the following exemptions:

- to any legal entity that is a qualified investor as defined in the Prospectus Directive;
- to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the issuer for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of shares of our common stock will result in a requirement for the publication by us or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive or any supplementary prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any shares of our common stock in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer so as to enable an investor to decide to purchase or subscribe for any shares of common stock, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State. The expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

United Kingdom. This document is not an approved prospectus for the purposes of section 85 of the UK Financial Services and Markets Act 2000, as amended, or FSMA, and a copy of it has not been, and will not be, delivered to or approved by the UK Listing Authority or approved by any other authority which could be a competent authority for the purposes of the Prospectus Directive.

This prospectus is only being distributed to, and is only directed at, persons in the United Kingdom that are "qualified investors" within the meaning of section 86(7) of FSMA that are also (i) investment professionals falling within Article 19(5) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, or the Order, and/or (ii) high net worth companies, unincorporated associations or partnerships and the trustees of high value trusts falling within Article 49(2)(a) to (d) of the Order and other persons to whom it may lawfully be communicated (each such person being referred to as a "relevant person").

Any person in the United Kingdom that is not a relevant person should not act or rely on these documents or any of their contents. Any investment, investment activity or controlled activity to which this document relates is available in the United Kingdom only to relevant persons and will be engaged in only with such persons. Accordingly, this document has not been approved by an authorized person, as would otherwise be required by Section 21 of FSMA.

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Any purchaser of shares of common stock resident in the United Kingdom will be deemed to have represented to us and the underwriters, and acknowledge that each of us and the underwriters are relying on such representation, that it, or the ultimate purchaser for which it is acting as agent, is a relevant person.

LEGAL MATTERS

The validity of our common stock offered hereby will be passed upon for us by Latham & Watkins LLP, San Diego, California. Certain legal matters in connection with this offering will be passed upon for the underwriters by Faegre Baker Daniels LLP, Minneapolis, Minnesota.

EXPERTS

Our financial statements as of December 31, 2014 and 2015, and for each of the years in the two-year period ended December 31, 2015, have been included herein and in the registration statement in reliance upon the report of KPMG LLP, independent registered public accounting firm, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to this offering of our common stock. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement, some items of which are contained in exhibits to the registration statement as permitted by the rules and regulations of the SEC. For further information with respect to us and our common stock, we refer you to the registration statement, including the exhibits and the financial statements and notes filed as a part of the registration statement. Statements contained in this prospectus concerning the contents of any contract, or any other document, are not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, please see the copy of the contract or document that has been filed. Each statement in this prospectus relating to a contract or document filed as an exhibit is qualified in all respects by the filed exhibit. The exhibits to the registration statement should be referenced for the complete contents of these contracts and documents. You may obtain copies of this information by mail from the Public Reference Section of the SEC, 100 F Street, N.E., Room 1580, Washington, D.C. 20549, at prescribed rates. You may obtain information on the operation of the public reference rooms by calling the SEC at 1-800-SEC-0330. The SEC also maintains an internet website that contains reports, proxy statements and other information about issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov.

Upon the closing of this offering, we will become subject to the information and reporting requirements of the Exchange Act and, in accordance with this law, will file periodic reports, proxy statements and other information with the SEC. These periodic reports, proxy statements and other information will be available for inspection and copying at the SEC's public reference facilities and the website of the SEC referred to above.

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Airgain, Inc.

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Airgain, Inc.:

We have audited the accompanying balance sheets of Airgain, Inc. as of December 31, 2014 and 2015, and the related statements of operations, stockholders' deficit, and cash flows for each of the years in the two-year period ended December 31, 2015. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Airgain, Inc. as of December 31, 2014 and 2015, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2015, in conformity with U.S. generally accepted accounting principles.

/s/ KPMG LLP

Irvine, California
June 8, 2016

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Airgain, Inc.
Balance Sheets

December 31, 2014 and 2015, March 31, 2016 (unaudited), Pro Forma March 31, 2016 (unaudited)

	December 31,		March 31, 2016	Pro Forma stockholders' equity as of March 31, 2016
	2014	2015		
Assets				
Current assets:				
Cash and cash equivalents	\$ 3,590,745	\$ 5,335,913	\$ 4,037,358	\$
Trade accounts receivable, net	3,512,871	3,731,998	3,679,003	
Inventory	—	119,733	46,684	
Prepaid expenses and other current assets	180,944	191,502	146,090	
Total current assets	7,284,560	9,379,146	7,909,135	
Property and equipment, net	1,352,664	1,026,784	950,369	
Goodwill	—	1,249,956	1,249,956	
Customer relationships, net	—	3,137,918	3,059,168	
Intangible assets, net	—	345,069	332,486	
Other assets	95,834	121,541	83,705	
Total assets	\$ 8,733,058	\$ 15,260,414	\$ 13,584,819	\$
Liabilities, preferred redeemable convertible stock, and stockholders' deficit				
Current liabilities:				
Accounts payable	\$ 2,413,579	\$ 2,873,471	\$ 2,524,370	\$
Accrued bonus	819,091	1,335,500	398,250	
Accrued liabilities	284,671	1,660,987	1,613,685	
Current portion of long-term notes payable	273,197	1,625,030	1,609,092	
Current portion of deferred rent obligation under operating lease	81,332	81,332	81,332	
Total current liabilities	3,871,870	7,576,320	6,226,729	
Preferred stock warrant liability	809,974	709,504	630,670	
Long-term notes payable	346,873	2,721,865	2,333,333	
Deferred rent obligation under operating lease	650,123	558,641	531,958	
Total liabilities	5,678,840	11,566,330	9,722,690	
Preferred redeemable convertible stock:				
Series E preferred redeemable convertible stock—10,500,000 shares authorized at December 31, 2014 and 2015 and March 31, 2016 (unaudited); 8,202,466 shares issued and outstanding at December 31, 2014 and 2015 and March 31, 2016 (unaudited); aggregate liquidation preference of \$15,545,786, \$16,274,823 and \$16,454,586 at December 31, 2014 and 2015 and March 31, 2016 (unaudited), respectively; no shares issued and outstanding pro forma (unaudited)	15,545,786	16,274,823	16,454,586	
Series F preferred redeemable convertible stock—5,000,000 shares authorized and 4,734,374 shares issued and outstanding at December 31, 2014 and 2015 and March 31, 2016 (unaudited); aggregate liquidation preference of \$10,024,707, \$10,517,081 and \$10,638,489 at December 31, 2014 and 2015 and March 31, 2016 (unaudited), respectively; no shares issued and outstanding pro forma (unaudited)	10,024,707	10,517,081	10,638,489	
Series G preferred redeemable convertible stock—23,500,000 shares authorized at December 31, 2014 and 2015 and March 31, 2016 (unaudited); 10,118,516, 10,334,862 and 10,334,862 shares issued and outstanding at December 31, 2014 and 2015 and March 31, 2016 (unaudited), respectively; aggregate liquidation preference of \$16,770,164, \$17,987,553 and \$18,219,586 at December 31, 2014 and 2015 and March 31, 2016 (unaudited), respectively; no shares issued and outstanding pro forma (unaudited)	15,153,863	16,315,002	16,547,035	

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	December 31,		March 31,	Pro Forma stockholders' equity as of March 31, 2016
	2014	2015	2016 (unaudited)	
Stockholders' deficit:				
Preferred convertible stock:				
Series A preferred convertible stock, 313,500 shares authorized, issued and outstanding at December 31, 2014 and 2015 and March 31, 2016 (unaudited); aggregate liquidation preference of \$2,328,354, \$2,416,194 and \$2,437,853 at December 31, 2014 and 2015 and March 31, 2016 (unaudited), respectively; no shares issued and outstanding pro forma (unaudited)	976,000	976,000	976,000	
Series B preferred convertible stock, 1,183,330 shares authorized at December 31, 2014 and 2015 and March 31, 2016 (unaudited); 1,157,606 shares issued and outstanding at December 31, 2014 and 2015 and March 31, 2016 (unaudited); aggregate liquidation preference of \$5,081,890 at December 31, 2014 and 2015 and March 31, 2016 (unaudited); no shares issued and outstanding pro forma (unaudited)	2,457,253	2,457,253	2,457,253	
Series C preferred convertible stock, 682,000 shares authorized, issued and outstanding at December 31, 2014 and 2015 and March 31, 2016 (unaudited); aggregate liquidation preference of \$682,000 at December 31, 2014 and 2015 and March 31, 2016 (unaudited); no shares issued and outstanding pro forma (unaudited)	549,010	549,010	549,010	
Series D preferred convertible stock, 4,276,003 shares authorized at December 31, 2014 and 2015 and March 31, 2016 (unaudited); 4,091,068 shares issued and outstanding at December 31, 2014 and 2015 and March 31, 2016 (unaudited); aggregate liquidation preference of \$4,316,451, \$4,516,013 and \$4,565,220 at December 31, 2014 and 2015 and March 31, 2016 (unaudited), respectively; no shares issued and outstanding pro forma (unaudited)	1,986,286	1,986,286	1,986,286	
Common shares, 55,000,000 shares authorized at December 31, 2014 and 80,000,000 shares authorized at December 31, 2015 and March 31, 2016 (unaudited); 6,252,821, shares issued and outstanding at December 31, 2014, and 2015, and 6,658,501 shares issued and outstanding at March 31, 2016 (unaudited)	1,017,003	1,094,375	1,094,375	
Additional paid-in capital	—	—	—	
Note to employee	(266,282)	—	—	
Accumulated deficit	(44,389,408)	(46,475,746)	(46,840,905)	
Total stockholders' deficit	(37,670,138)	(39,412,822)	(39,777,981)	
Commitments and contingencies (note 12)				
Total liabilities, preferred redeemable convertible stock and stockholders' deficit	<u>\$ 8,733,058</u>	<u>\$ 15,260,414</u>	<u>\$ 13,584,819</u>	<u>\$</u>

See accompanying notes to financial statements.

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Airgain, Inc.
Statements of Operations
Years ended December 31, 2014 and 2015 and three months ended March 31, 2015 and 2016 (unaudited)

	Year Ended December 31,		Three Months Ended March 31,	
	2014	2015	2015	2016
			(unaudited)	
Sales	\$ 25,509,572	\$ 27,793,073	\$ 5,732,733	\$ 8,512,305
Cost of goods sold	14,132,357	16,148,163	3,250,038	4,834,681
Gross Profit	<u>11,377,215</u>	<u>11,644,910</u>	<u>2,482,695</u>	<u>3,677,624</u>
Operating expenses:				
Research and development	3,311,337	4,257,400	966,097	1,321,686
Sales and marketing	3,516,095	4,035,591	962,601	1,241,104
General and administrative	2,972,257	3,453,288	836,611	998,040
IPO cost	726,926	229,332	—	—
Total operating expenses	<u>10,526,615</u>	<u>11,975,611</u>	<u>2,765,309</u>	<u>3,560,830</u>
Income (loss) from operations	850,600	(330,701)	(282,614)	116,794
Other expense (income):				
Interest expense, including amortization of debt discount	42,692	39,489	9,368	52,475
Fair market value adjustment - warrants	(2,747,570)	(85,325)	(242,993)	(78,834)
Exercise and expiration of warrants	(38,993)	(15,145)	—	—
Total other income	<u>(2,743,871)</u>	<u>(60,981)</u>	<u>(233,625)</u>	<u>(26,359)</u>
Income (loss) before income taxes	3,594,471	(269,720)	(48,989)	143,153
Provision for income taxes	6,171	622	8,511	4,000
Net income (loss)	3,588,300	(270,342)	(57,500)	139,153
Accretion of dividends on preferred convertible stock	(2,431,836)	(2,444,954)	(599,631)	(604,069)
Net income (loss) attributable to common stockholders	<u>\$ 1,156,464</u>	<u>\$ (2,715,296)</u>	<u>\$ (657,131)</u>	<u>\$ (464,916)</u>
Net income (loss) per share:				
Basic	\$ 0.21	\$ (0.42)	\$ (0.11)	\$ (0.07)
Diluted	\$ (0.29)	\$ (0.43)	\$ (0.14)	\$ (0.08)
Weighted average shares used in calculating income (loss) per share				
Basic	<u>5,558,059</u>	<u>6,515,926</u>	<u>6,254,633</u>	<u>6,658,501</u>
Diluted	<u>5,558,059</u>	<u>6,515,926</u>	<u>6,254,633</u>	<u>6,658,501</u>

See accompanying notes to financial statements.

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Airgain, Inc.
Statements of Stockholders' Deficit
Years ended December 31, 2014 and 2015 and three months ended March 31, 2016 (unaudited)

	Preferred Convertible Stock		Common Stock		Additional Paid-in Capital	Note to Employee	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount				
Balance at December 31, 2013	6,244,174	\$ 5,968,549	3,805,661	\$ 1,016,783	\$ —	—	\$ (46,491,004)	\$ (39,505,672)
Stock-based compensation	—	—	—	—	657,730	—	—	657,730
Shares issued pursuant to stock awards	—	—	2,446,160	—	—	—	—	—
Exercise of stock options	—	—	1,000	220	—	—	—	220
Issuance of note to employee	—	—	—	—	—	(266,282)	—	(266,282)
Effect of accretion to redemption value	—	—	—	—	(657,730)	—	(1,486,704)	(2,144,434)
Net income	—	—	—	—	—	—	3,588,300	3,588,300
Balance at December 31, 2014	6,244,174	\$ 5,968,549	6,252,821	\$ 1,017,003	\$ —	\$ (266,282)	\$ (44,389,408)	\$ (37,670,138)
Stock-based compensation	—	—	—	—	341,554	—	—	341,554
Shares issued pursuant to stock awards	—	—	163,080	—	—	—	—	—
Exercise of Stock Options	—	—	242,600	77,372	—	—	—	77,372
Forgiveness of note to employee	—	—	—	—	—	266,282	—	266,282
Effect of accretion to redemption value	—	—	—	—	(341,554)	—	(1,815,996)	(2,157,550)
Net loss	—	—	—	—	—	—	(270,342)	(270,342)
Balance at December 31, 2015	6,244,174	\$ 5,968,549	6,658,501	\$ 1,094,375	\$ —	\$ —	\$ (46,475,746)	\$ (39,412,822)
Stock-based compensation (unaudited)	—	—	—	—	28,893	—	—	28,893
Shares issued pursuant to stock awards (unaudited)	—	—	—	—	—	—	—	—
Effect of accretion to redemption value (unaudited)	—	—	—	—	(28,893)	—	(504,312)	(533,205)
Net income (unaudited)	—	—	—	—	—	—	139,153	139,153
Balance at March 31, 2016 (unaudited)	6,244,174	\$ 5,968,549	6,658,501	\$ 1,094,375	\$ —	\$ —	\$ (46,840,905)	\$ (39,777,981)

See accompanying notes to financial statements.

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Airgain, Inc.

Statements of Cash Flows

Years ended December 31, 2014 and 2015 and three months ended March 31, 2015 and 2016 (unaudited)

	<u>Year Ended December 31,</u>		<u>Three Months Ended March 31,</u>	
	<u>2014</u>	<u>2015</u>	<u>2015</u>	<u>2016</u>
	(unaudited)			
Cash flows from operating activities:				
Net income (loss)	\$ 3,588,300	\$ (270,342)	\$ (57,500)	\$ 139,153
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Depreciation	371,603	458,734	113,263	117,445
Amortization	—	14,013	—	91,333
Fair market value adjustment - warrants	(2,747,570)	(85,325)	(242,993)	(78,834)
Exercise and expiration of warrants	(38,993)	(15,145)	—	—
Stock-based compensation	657,730	341,554	150,571	28,893
Forgiveness of note to employee	—	266,282	—	—
Gain on disposal of fixed assets	(25,441)	—	—	—
Changes in operating assets and liabilities:				
Trade accounts receivable	(90,942)	210,140	197,375	52,995
Inventory	—	(119,733)	(50,774)	73,048
Prepaid expenses and other assets	2,408	(36,265)	7,114	83,248
Accounts payable	173,896	298,918	(653,079)	(349,102)
Accrued bonus	(119,841)	516,409	(598,125)	(937,250)
Accrued liabilities	(337,354)	361,067	152,397	(47,302)
Deferred obligation under operating lease	214,578	(91,482)	(22,659)	(26,683)
Net cash provided by (used in) operating activities	<u>1,648,374</u>	<u>1,848,825</u>	<u>(1,004,410)</u>	<u>(853,056)</u>
Cash flows from investing activities:				
Cash paid for acquisition	—	(4,000,000)	—	—
Purchases of property and equipment	(984,697)	(132,854)	(34,752)	(41,030)
Proceeds from sale of equipment	34,786	—	—	—
Net cash used in investing activities	<u>(949,911)</u>	<u>(4,132,854)</u>	<u>(34,752)</u>	<u>(41,030)</u>
Cash flows from financing activities:				
Proceeds from notes payable	500,000	4,000,000	—	—
Repayment of notes payable	(129,930)	(273,175)	(66,736)	(404,469)
Proceeds from exercise of warrant	—	225,000	—	—
Issuance of note to employee	(266,282)	—	—	—
Proceeds from exercise of stock options	220	77,372	—	—
Net cash provided by (used in) financing activities	<u>104,008</u>	<u>4,029,197</u>	<u>(66,736)</u>	<u>(404,469)</u>
Net increase (decrease) in cash and cash equivalents	802,471	1,745,168	(1,105,898)	(1,298,555)
Cash, beginning of period	<u>2,788,274</u>	<u>3,590,745</u>	<u>3,590,745</u>	<u>5,335,913</u>
Cash, end of period	<u>\$ 3,590,745</u>	<u>\$ 5,335,913</u>	<u>\$ 2,484,847</u>	<u>\$ 4,037,358</u>
Supplemental disclosure of cash flow information				
Interest paid	\$ 42,692	\$ 39,489	\$ 9,368	\$ 52,475
Income taxes paid	10,786	6,171	5,000	—
Supplemental disclosure of non-cash investing and financing activities:				
Accretion of Series E, F, and G preferred redeemable convertible stock to redemption amount	\$ 2,144,434	\$ 2,157,550	\$ 528,765	\$ 533,203
Property and equipment acquired through lease incentives	\$ 650,100	\$ —	\$ —	\$ —

See accompanying notes to financial statements.

AIRGAIN, INC.

Notes to Financial Statements

(Information as of March 31, 2016 and for the three months ended March 31, 2015 and 2016 and pro forma information is unaudited)

(1) Significant Accounting Policies

(a) Description of Business

Airgain, Inc. (the Company) was incorporated in the State of California on March 20, 1995. The Company is a leading provider of embedded antenna technologies used to enable high performance wireless networking across a broad range of home, enterprise, and industrial devices. The Company designs, develops, and engineers its antenna products for original equipment and design manufacturers worldwide. The Company's main office is in San Diego, California with office space and research facilities in San Diego, California, Taipei, Taiwan, Shenzhen and Jiangsu, China and Cambridgeshire, United Kingdom.

(b) Unaudited Interim Financial Information

The accompanying interim balance sheet as of March 31, 2016, the interim statements of operations and cash flows for the three months ended March 31, 2015 and 2016, and the interim statement of stockholders' deficit for the three months ended March 31, 2016 are unaudited. The unaudited interim financial statements have been prepared on the same basis as the annual financial statements and, in management's opinion, reflect all adjustments, which include only normal recurring adjustments, that management believes are necessary to present fairly the Company's financial position as of March 31, 2016, and results of operations and cash flows for the three months ended March 31, 2015 and 2016. The financial data and other information disclosed in these notes to the financial statements as of and for the three months ended March 31, 2015 and 2016 are unaudited. The results of operations during the three months ended March 31, 2016 are not indicative of the results to be expected for the entire year ending December 31, 2016 or for any future period.

(c) Unaudited Pro Forma Stockholders' Deficit

The unaudited pro forma stockholders' deficit information as of March 31, 2016 gives effect to: (1) the automatic conversion of all outstanding shares of our preferred stock into 30,808,575 shares of our common stock prior to the closing of this offering, (2) the issuance of 18,637,918 shares of our common stock to the holders of Series A, D, E, F and G preferred stock in connection with this offering in satisfaction of accumulated dividends as of March 31, 2016, and (3) the issuance of 1,271,507 shares of common stock to the holders of the 2011 Warrants as a result of the net exercise of the 2011 Warrants in May 2016.

(d) Segment Information

The Company's operations are located primarily in the United States, and most of its assets are located in San Diego, California. The Company operates in one segment related to the sale of antenna products. The Company's chief operating decision-maker is its chief executive officer, who reviews operating results on an aggregate basis and manages the Company's operations as a single operating segment.

AIRGAIN, INC.

Notes to Financial Statements

(Information as of March 31, 2016 and for the three months ended March 31, 2015 and 2016 and pro forma information is unaudited)

(e) Cash and Cash Equivalents

For purposes of financial statement presentation, the Company classifies all highly liquid financial instruments with an original maturity of three months or less when purchased to be cash equivalents. At times, the Company has had cash and cash equivalents deposited at financial institutions in excess of federally insured deposit limits. However, cash is held on deposit at major financial institutions and is considered subject to minimal credit risk. To date, the Company has not realized any losses on its cash and cash equivalents.

(f) Trade Accounts Receivable

Trade accounts receivable is adjusted for all known uncollectible accounts. The policy for determining when receivables are past due or delinquent is based on the contractual terms agreed upon. Accounts are written off once all collection efforts have been exhausted. An allowance for doubtful accounts is established when, in the opinion of management, collection of the account is doubtful. The allowance for doubtful accounts was \$0 as of December 31, 2014, December 31, 2015 and March 31, 2016 (unaudited).

(g) Inventory

The vast majority of the Company's products are manufactured by third parties that retain ownership of the inventory until title is transferred to the customer at the shipping point. In certain instances, shipping terms are delivery at place and the Company is responsible for arranging transportation and delivery of goods ready for unloading at the named place. The Company bears all risk involved in bringing the goods to the named place and records the related inventory in transit to the customer as inventory on the accompanying balance sheet.

Inventory is stated at the lower of cost or market. Cost is determined using the first-in, first-out method (FIFO).

(h) Property and Equipment

Property and equipment are stated at cost and are depreciated using the straight-line method over the estimated useful lives of the assets, generally three years. The estimated useful lives for leasehold improvements are the estimated useful life of the asset or lease term, if shorter. Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable.

(i) Goodwill

Goodwill, which has an indefinite useful life, represents the excess of cost over fair value of net assets acquired. The change in the carrying value of goodwill during the year ended December 31, 2015, was due to a current acquisition.

The Company reviews goodwill for impairment annually on December 1st and whenever events or changes in circumstances indicate that goodwill may be impaired.

AIRGAIN, INC.

Notes to Financial Statements

(Information as of March 31, 2016 and for the three months ended March 31, 2015 and 2016 and pro forma information is unaudited)

(j) Long-lived Assets

The Company's identifiable intangible assets are comprised of acquired developed technologies, customer relationships and non-compete agreements. The cost of the identifiable intangible assets with finite lives is amortized on a straight-line basis over the assets' respective estimated useful lives. The Company periodically re-evaluates the original assumptions and rationale utilized in the establishment of the carrying value and estimated lives of long-lived assets and finite-lived intangible assets. Long-lived assets and finite-lived intangibles are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If an asset is considered to be impaired, the impairment recognized is equal to the amount by which the carrying value of the asset exceeds its fair value.

(k) Revenue Recognition

The Company generates revenue primarily from the sale of its antenna products. The Company recognizes revenue when products are shipped and the customer takes ownership and assumes risk of loss, collection of the relevant receivable is reasonably assured, persuasive evidence of an arrangement exists, and the sales price is fixed or determinable. Title and risk of loss transfer to customers either when the products are shipped to or received by the customer, based on the terms of the specific agreement with the customer.

A portion of the Company's sales are made through distributors under agreements allowing for pricing credits and/or rights of return under certain circumstances. To date, pricing credits and returns under these provisions have been insignificant; accordingly, the Company recognizes revenue upon shipment to the distributor and the Company's allowance for sales returns and pricing credits was insignificant as of December 31, 2014, December 31, 2015 and March 31, 2016 (unaudited).

(l) Shipping and Transportation Costs

Shipping and other transportation costs are expensed as incurred. Shipping and other transportation costs were \$154,025 and \$221,974 for the years ended December 31, 2014 and 2015, respectively and \$37,795 and \$53,531 for the three months ended March 31, 2015 and 2016 (unaudited), respectively. These costs are included in general and administrative expenses in the accompanying statements of operations.

(m) Research and Development Costs

Costs incurred in connection with research and development are expensed as incurred.

(n) Income Taxes

The Company records income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period

AIRGAIN, INC.

Notes to Financial Statements

(Information as of March 31, 2016 and for the three months ended March 31, 2015 and 2016 and pro forma information is unaudited)

that includes the enactment date. When applicable, a valuation allowance is established to reduce any deferred tax asset when it is determined that it is more likely than not that some portion of the deferred tax asset will not be realized.

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company records interest related to unrecognized tax benefits in interest expense and penalties in general and administrative expenses.

The Company uses the with-and-without approach, disregarding indirect tax impacts, for determining the period in which tax benefits for excess share-based deductions are recognized.

(o) Stock-Based Compensation

The Company recognizes all employee stock-based compensation as a cost in the financial statements. Equity classified awards are measured at the grant-date fair value of the award. The Company estimates the grant-date fair value using the Black-Scholes-Merton option-pricing model. The impact of forfeitures that may occur prior to vesting is also estimated and considered in the amount recognized for all stock-based compensation. Compensation cost is recognized on a straight-line basis over the requisite service period for the entire award. Stock-based compensation expense for the years ended December 31, 2014 and 2015 was \$657,730 and \$341,554, respectively, and for the three months ended March 31, 2015 and 2016 (unaudited) was \$150,571 and \$28,893, respectively.

(p) Preferred Redeemable Convertible Stock

The Company has Series E, F, and G preferred redeemable convertible stock (collectively, Senior Preferred Stock). As these securities are redeemable for cash at the option of the holders, they are excluded from stockholders' equity and presented as temporary equity in the accompanying balance sheets.

At any time after May 2013, but within ninety days after the receipt of a written request from the holders of not less than 66 2/3% of the then outstanding Senior Preferred Stock, all shares of the Senior Preferred Stock can be redeemed at the original issue price plus any accrued and unpaid dividends in two annual installments. At least one of the Company's two largest shareholders would need to vote in favor of redemption to meet the 66 2/3% requirement. The Company has obtained written commitments from these two shareholders committing that neither shareholder would vote in favor of redemption prior to January 1, 2018.

As only the passage of time is required for Senior Preferred Stock to be redeemable, the Company adjusts the carrying value of the Senior Preferred Stock to its redemption value at each balance sheet date.

(q) Preferred Stock Warrant Liability

As of March 31, 2016, the Company had issued freestanding warrants exercisable to purchase shares of its Series G preferred redeemable convertible stock. These warrants are classified as a liability in the

AIRGAIN, INC.

Notes to Financial Statements

(Information as of March 31, 2016 and for the three months ended March 31, 2015 and 2016 and pro forma information is unaudited)

accompanying consolidated balance sheets, as the terms for redemption of the underlying security are outside the Company's control. The warrants are recorded at fair value using a combination of an option pricing model and current value model under the probability-weighted return method. The fair value of all warrants is remeasured at each balance sheet date with any changes in fair value being recognized in the statement of operations. In May 2016, the warrants were amended such that the warrants became immediately exercisable into shares of the Company's common stock. Concurrent with such amendment, the holders of the outstanding warrants elected to net exercise the warrants, and the Company issued an aggregate of 1,271,507 shares of common stock.

(r) **Fair Value Measurements**

The carrying values of the Company's financial instruments, including cash, trade accounts receivable, accounts payable, and accrued liabilities approximate their fair values due to the short maturity of these instruments.

Fair value measurements are market-based measurements, not entity-specific measurements. Therefore, fair value measurements are determined based on the assumptions that market participants would use in pricing the asset or liability. The Company follows a three-level hierarchy to prioritize the inputs used in the valuation techniques to derive fair values. The basis for fair value measurements for each level within the hierarchy is described below:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable in active markets.
- Level 3: Valuations derived from valuation techniques in which one or more significant inputs are unobservable in active markets.

The following table provides a summary of the recognized liabilities carried at fair value on a recurring basis:

	Balance as of December 31, 2014		
	Level 1	Level 2	Level 3
Liabilities:			
Warrant liability (note 10)	\$ —	—	809,974
Balance as of December 31, 2015			
	Level 1	Level 2	Level 3
Liabilities:			
Warrant liability (note 10)	\$ —	—	709,504
Balance as of March 31, 2016 (unaudited)			
	Level 1	Level 2	Level 3
Liabilities:			
Warrant liability (note 10)	\$ —	—	630,670

AIRGAIN, INC.

Notes to Financial Statements

(Information as of March 31, 2016 and for the three months ended March 31, 2015 and 2016 and pro forma information is unaudited)

The Company's accounting policy is to recognize transfers between levels of the fair value hierarchy on the date of the event or change in circumstances that caused the transfer. There were no transfers into or out of Level 1, Level 2, or Level 3 for the years ended December 31, 2014 and December 31, 2015 and the three months ended March 31, 2016 (unaudited).

The following table provides a rollforward of the Company's Level 3 fair value measurements during the years ended December 31, 2014 and December 31, 2015 and the three months ended March 31, 2016 (unaudited), which consist of the Company's warrant liability:

Balance at December 31, 2013	\$ 3,596,537
Change in fair value of warrant liability	(2,747,570)
Exercise and expiration of warrants	(38,993)
Balance at December 31, 2014	809,974
Change in fair value of warrant liability	(85,325)
Exercise and expiration of warrants	(15,145)
Balance at December 31, 2015	709,504
Change in fair value of warrant liability (unaudited)	(78,834)
Exercise and expiration of warrants (unaudited)	—
Balance at March 31, 2016 (unaudited)	\$ 630,670

Due to the inherent uncertainty of determining the fair value of assets and liabilities that do not have a readily available market value, the fair value of the warrant liability may fluctuate from period to period. Additionally, the fair value of the liability may differ significantly from the values that would have been used had a ready market existed for such liabilities.

(s) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include valuation of the preferred redeemable convertible stock warrant liability, stock-based compensation and intangible assets.

(t) Comprehensive Income (Loss)

The Company had no other transactions or activity, other than net income (loss), that would be considered as part of comprehensive income (loss).

(u) Net Income or Loss Per Share

Basic net income or loss per share is calculated by dividing net income or loss available to common stockholders by the weighted average shares of common stock outstanding for the period. Diluted net

AIRGAIN, INC.

Notes to Financial Statements

(Information as of March 31, 2016 and for the three months ended March 31, 2015 and 2016 and pro forma information is unaudited)

income or loss per share is calculated by dividing net income or loss by the weighted average shares of common stock outstanding for the period plus amounts representing the dilutive effect of securities that are convertible into common stock. Preferred dividends are deducted from net income or loss in arriving at net income or loss attributable to common stockholders. The Company calculates diluted earnings or loss per common share using the treasury stock method and the as-if-converted method, as applicable.

The following table presents the computation of net income or loss per share:

	Years ended December 31,		Three months ended March 31,	
	2014	2015	2015	2016
			(unaudited)	
Numerator:				
Net income (loss)	\$ 3,588,300	\$ (270,342)	\$ (57,500)	\$ 139,153
Accretion of dividends on preferred stock	(2,431,836)	(2,444,954)	(599,631)	(604,069)
Net income (loss) attributable to common stockholders -basic	\$ 1,156,464	\$ (2,715,296)	\$ (657,131)	\$ (464,916)
Adjustment for change in fair value of warrant liability	(2,747,570)	(85,325)	(242,993)	(78,834)
Net loss attributable to common stockholders - diluted	\$ (1,591,106)	\$ (2,800,621)	\$ (900,124)	\$ (543,750)
Denominator:				
Weighted average common shares outstanding				
Basic	5,558,059	6,515,926	6,254,633	6,658,501
Diluted	5,558,059	6,515,926	6,254,633	6,658,501
Net income (loss) per share:				
Basic	\$ 0.21	\$ (0.42)	\$ (0.11)	\$ (0.07)
Diluted	\$ (0.29)	\$ (0.43)	\$ (0.14)	\$ (0.08)

Potentially dilutive securities not included in the calculation of diluted net loss per share because to do so would be anti-dilutive are as follows (in common stock equivalent shares):

	Years ended December 31,		Three months ended March 31,	
	2014	2015	2015	2016
			(unaudited)	
Preferred redeemable convertible stock, including accumulated dividends	46,531,967	48,912,045	47,063,002	49,446,494
Employee stock options	5,045,500	7,566,922	6,923,583	7,541,922
Series G preferred stock warrants outstanding	8,099,723	7,883,377	8,099,723	7,883,377
Total	59,677,190	64,362,344	62,086,308	64,871,793

AIRGAIN, INC.

Notes to Financial Statements

(Information as of March 31, 2016 and for the three months ended March 31, 2015 and 2016 and pro forma information is unaudited)

The unaudited pro forma basic and diluted net income or loss per share is calculated by dividing the pro forma net income or loss by the weighted average number of common shares outstanding for the period plus the weighted average number of common shares resulting from the assumed conversion of the outstanding shares of convertible preferred stock. The assumed conversion is calculated using the as-if-converted method, as if such conversion had occurred as of the beginning of each period presented or the original issuance date, if later. The pro forma net income or loss is calculated by subtracting the accretion to liquidation value of convertible preferred stock from the net loss attributable to common stockholders.

Pro Forma
March 31, 2016
(unaudited)

Numerator:

Net income (loss)

Accretion of dividends on preferred stock

Basic net income (loss) attributable to common stockholders

Accretion of dividends on preferred convertible stock

Adjustment for change in fair value of warrant liability

Diluted net loss attributable to common stockholders

Denominator:

Weighted average common shares outstanding basic and diluted

Pro forma adjustment to reflect assumed conversion of preferred stock to occur upon consummation of the Company's expected initial public offering

Pro forma weighted average common shares outstanding, basic and diluted

Pro forma net income (loss) per share

Basic

Diluted

AIRGAIN, INC.

Notes to Financial Statements

(Information as of March 31, 2016 and for the three months ended March 31, 2015 and 2016 and pro forma information is unaudited)

(2) Property and Equipment

Depreciation and amortization of property and equipment is calculated on the straight-line method based on estimated useful lives of six to ten years for tenant improvements, and three years for all other property and equipment. Property and equipment consist of the following:

	2014	December 31, 2015	March 31, 2016 (unaudited)
Lab equipment	1,211,476	1,284,626	1,325,656
Computer equipment	166,149	182,266	182,266
Computer software	289,278	302,549	302,549
Furniture and fixtures	178,886	184,233	184,233
Tenant improvements	738,930	763,898	763,898
Other office equipment	38,753	38,753	38,753
	<u>2,623,472</u>	<u>2,756,325</u>	<u>2,797,355</u>
Less accumulated depreciation	<u>(1,270,808)</u>	<u>(1,729,541)</u>	<u>(1,846,986)</u>
	<u>1,352,664</u>	<u>1,026,784</u>	<u>950,369</u>

Depreciation expense was \$371,603 and \$458,734 for the years ended December 31, 2014 and 2015, respectively, and \$113,263 and \$117,445 for the three months ended March 31, 2015 and 2016 (unaudited), respectively.

(3) Acquisitions

On December 17, 2015, the Company executed and entered into an asset purchase agreement for certain North American assets of Skycross, Inc., a manufacturer of advanced antenna and radio-frequency solutions. As a result of the acquisition, the Company expects to benefit from the acquisition primarily through the addition of new customers. The goodwill of \$1,249,956 arising from the acquisition relates to expected synergies and cost reductions through economies of scale. The amount of goodwill expected to be deductible for tax purposes is \$1,249,956.

In addition to the \$4.0 million paid up front, the purchase price also includes a contingent consideration arrangement. The \$1.0 million of deferred consideration is payable upon the later of (i) the expiration of the Transition Services Agreement between the Company and Skycross, Inc. which defines transition services to be provided by Skycross to the Company, and (ii) the date on which the Company has received copies of third party approvals with respect to each customer and program that was purchased. The potential undiscounted amount of all future payments that could be required to be paid under the contingent consideration arrangement is between \$0 and \$1.0 million. The fair value of the contingent consideration was estimated by applying the income approach. The income approach is based on estimating the value of the present worth of future net cash flow.

AIRGAIN, INC.

Notes to Financial Statements

(Information as of March 31, 2016 and for the three months ended March 31, 2015 and 2016 and pro forma information is unaudited)

The following table summarizes the consideration paid and the estimated fair value of the assets acquired and liabilities assumed at the acquisition date.

Consideration:	
Cash	\$ 4,000,000
Contingent consideration arrangement	1,000,000
Fair value of total consideration transferred	<u>\$ 5,000,000</u>
Recognized amounts of identifiable assets acquired and liabilities assumed:	
Accounts receivable	\$ 429,267
Intangible assets	3,497,000
Current liabilities	<u>(176,223)</u>
Total identifiable net assets acquired	3,750,044
Goodwill	1,249,956
Total	<u>\$ 5,000,000</u>

The fair value of accounts receivable is \$429,267. The contingent consideration of \$1.0 million is included in the accrued liabilities balance on the accompanying balance sheets as of December 31, 2015 and March 31, 2016 (unaudited), respectively.

Revenue associated with the acquired Skycross assets since the date of acquisition was \$0.2 million and \$1.0 million for the year ended December 31, 2015 and for the three months ended March 31, 2016 (unaudited), respectively. Cost of goods sold associated with the acquired Skycross assets since the date of acquisition was \$0.1 million and \$0.4 million for the year ended December 31, 2015 and for the three months ended March 31, 2016 (unaudited), respectively. The acquired assets were not managed as a discrete business by the previous owner. Accordingly, the historical financial information for the assets acquired was impracticable to obtain, and inclusion of pro forma information would require the Company to make estimates and assumptions regarding these assets' historical financial results that may not be reasonable or accurate. As a result, pro forma results are not presented. It is not practicable to determine net income included in the Company's operating results relating to Skycross assets since the date of acquisition because the assets have been fully integrated into the Company's operations, and the operating results of the Skycross assets can therefore not be separately identified.

(4) Goodwill

Changes to the Company's goodwill balance during the year ended December 31, 2015 and during the three months ended March 31, 2016 (unaudited) are as follows:

Balance at December 31, 2014	\$ —
Current period acquisition	1,249,956
Balance at December 31, 2015	<u>\$ 1,249,956</u>
Current period adjustments	—
Balance at March 31, 2016 (unaudited)	<u>\$ 1,249,956</u>

AIRGAIN, INC.

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(Information as of March 31, 2016 and for the three months ended March 31, 2015 and 2016 and pro forma information is unaudited)

(5) Intangible Assets

The following is a summary of the Company's acquired intangible assets:

	December 31, 2015			
	Weighted Average Amortization Period	Gross Carrying Amount	Accumulated Amortization	Intangibles, Net
Developed technologies	10	\$ 280,000	\$ 1,074	\$ 278,926
Customer relationships	10	3,150,000	12,082	3,137,918
Non-compete agreement	3	67,000	857	66,143
Total intangible assets, net	<u>10</u>	<u>\$3,497,000</u>	<u>\$ 14,013</u>	<u>\$3,482,987</u>

	March 31, 2016 (unaudited)			
	Weighted Average Amortization Period	Gross Carrying Amount	Accumulated Amortization	Intangibles, Net
Developed technologies	10	\$ 280,000	\$ 8,074	\$ 271,926
Customer relationships	10	3,150,000	90,832	3,059,168
Non-compete agreement	3	67,000	6,440	60,560
Total intangible assets, net	<u>10</u>	<u>\$3,497,000</u>	<u>\$ 105,346</u>	<u>\$3,391,654</u>

The estimated annual amortization of intangible assets for the next five years and thereafter is shown in the following table. Actual amortization expense to be reported in future periods could differ from these estimates as a result of acquisitions, divestitures, asset impairments, among other factors. Amortization expense was \$0 and \$14,013 for the years ended December 31, 2014 and 2015 and \$0 and \$91,333 for the three months ended March 31, 2015 and 2016 (unaudited), respectively.

	December 31, 2015	March 31, 2016 (unaudited)
2016	\$ 365,333	\$ 274,000
2017	365,333	365,333
2018	364,477	364,477
2019	343,000	343,000
2020	343,000	343,000
Thereafter	1,701,844	1,701,844
Total	<u>\$ 3,482,987</u>	<u>\$ 3,391,654</u>

AIRGAIN, INC.

Notes to Financial Statements

(Information as of March 31, 2016 and for the three months ended March 31, 2015 and 2016 and pro forma information is unaudited)

(6) Long-term Notes Payable (including current portion) and Line of Credit

In June 2012, the Company amended its line of credit with Silicon Valley Bank. The amended revolving line of credit facility allows for an advance up to \$3.0 million. The facility bears an interest rate of prime (4% as of December 31, 2015) plus 1.25%. The revolving facility is available as long as the Company maintains a liquidity ratio of cash and cash equivalents plus accounts receivable to outstanding debt under the facility of 1.25 to 1.00; otherwise, the facility reverts to its previous eligible receivables financing arrangement. The amended facility matures in April 2018. The bank has a first security interest in all the Company's assets excluding intellectual property, for which the bank has received a negative pledge. There was no balance owed on the line of credit as of December 31, 2014, December 31, 2015 and March 31, 2016 (unaudited).

In December 2013, the Company further amended its revolving line of credit under the amended and restated loan and security with Silicon Valley Bank to include a growth capital term loan of up to \$750,000. The growth capital term loan requires interest only payments through June 30, 2014 at which point it is to be repaid in 32 equal monthly installments of interest and principal. The growth capital term loan matures on February 1, 2017, at which time all unpaid principal and accrued and unpaid interest is due. The growth capital term loan interest rate is 6.5%. The Company must maintain a liquidity ratio of cash and cash equivalents plus accounts receivable to outstanding debt under the facility of greater than or equal to 1.00 to 1.00. As of December 31, 2014, December 31, 2015 and March 31, 2016 (unaudited), \$620,070, \$346,895 and \$275,759 was outstanding under this loan, respectively.

The remaining principal payments subsequent to December 31, 2015 and March 31, 2016 (unaudited) are as follows:

Year ending:	December 31, 2015	March 31, 2016 (unaudited)
2016	\$ 291,697	\$ 220,561
2017	55,198	55,198
	<u>\$ 346,895</u>	<u>\$ 275,759</u>

In December 2015, the Company amended its loan and security agreement with Silicon Valley Bank to include a term loan in the amount of \$4.0 million. The loan requires 36 monthly installments of interest and principal. The loan matures on December 1, 2018. The loan agreement requires the Company to maintain a liquidity ratio of 1.25 to 1.00 as of the last day of each month and a minimum EBITDA, measured as of the last day of each fiscal quarter for the previous six month period (for December 31, 2015 and March 31, 2016 the minimum EBITDA is (\$350,000)). The interest rate is 5%. As of December 31, 2015 and March 31, 2016 (unaudited), \$4,000,000 and \$3,666,667 was outstanding under this loan, respectively.

AIRGAIN, INC.

Notes to Financial Statements

(Information as of March 31, 2016 and for the three months ended March 31, 2015 and 2016 and pro forma information is unaudited)

The remaining principal payments on the \$4.0 million loan subsequent to December 31, 2015 and March 31, 2016 (unaudited) are as follows:

	December 31, 2015	March 31, 2016 (unaudited)
Year ending:		
2016	\$ 1,333,333	\$ 1,000,000
2017	1,333,333	1,333,333
2018	1,333,334	1,333,334
	<u>\$ 4,000,000</u>	<u>\$ 3,666,667</u>

The Company was in compliance with all financial term loan and line of credit financial covenants as of December 31, 2015 and March 31, 2016 (unaudited).

(7) **Income Taxes**

(a) *Income Taxes*

Income tax expense attributable to income from continuing operations consists of the following:

	December 31, 2014		
	Current	Deferred	Total
U.S. federal	\$ —	—	—
State and local	6,171	—	6,171
	<u>\$6,171</u>	<u>—</u>	<u>6,171</u>

	December 31, 2015		
	Current	Deferred	Total
U.S. federal	\$ —	—	—
State and local	622	—	622
	<u>\$ 622</u>	<u>—</u>	<u>622</u>

AIRGAIN, INC.

Notes to Financial Statements

(Information as of March 31, 2016 and for the three months ended March 31, 2015 and 2016 and pro forma information is unaudited)

(b) **Tax Rate Reconciliation**

Income tax expense attributable to income from continuing operations was \$6,171 and \$622 for each of the years ended December 31, 2014 and 2015, respectively, and differed from the amounts computed by applying the U.S. federal income tax rate of 34% to pretax income from continuing operations as a result of the following:

	<u>2014</u>	<u>2015</u>
Computed "expected" tax provision (benefit)	1,222,120	(91,705)
Change in federal valuation allowance	(1,953,002)	(674,460)
Section 382 limitation expiration	1,712,466	—
State and local income taxes, net of federal income tax benefit	4,132	411
Nondeductible warrant adjustment	(947,432)	(34,160)
Research and development credit	(143,114)	(168,940)
Uncertain tax position	—	797,513
Other	111,001	171,963
	<u>6,171</u>	<u>622</u>

(c) **Significant Components of Current and Deferred Taxes**

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets at December 31, 2014 and 2015 are presented below.

	<u>2014</u>	<u>2015</u>
Deferred tax assets, net:		
Net operating loss carryforwards	9,448,214	9,008,344
Capitalization of patent costs net of amortization	710,286	441,076
Capitalization of acquisition costs net of amortization	—	35,263
Tax credit carry forwards	2,519,715	1,421,252
Other timing differences	(199,440)	197,464
	<u>12,478,775</u>	<u>11,103,399</u>
Less valuation allowance	(12,478,775)	(11,103,399)
Net deferred tax asset	<u>—</u>	<u>—</u>

The net change in the total valuation allowance was a decrease of \$2,085,328 and \$1,375,356 in 2014 and 2015, respectively. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities (including the impact of available carryback and carryforward periods), projected future taxable income, and tax-planning strategies in making this assessment.

Current federal and state tax laws include substantial restrictions on the annual utilization of net operating loss and tax credit carryforwards in the event of an ownership change as defined. In May,

AIRGAIN, INC.

Notes to Financial Statements

(Information as of March 31, 2016 and for the three months ended March 31, 2015 and 2016 and pro forma information is unaudited)

2014, the Company completed its analysis to determine whether prior ownership changes have resulted in limitations on the Company's ability to utilize these net operating losses and tax credit carryforwards. The Company has determined that as of December 31, 2015, it has \$21,756,000 in available unlimited federal net operating loss carryforwards which will begin to expire in 2022, and \$18,226,000 of unlimited California net loss carryforwards which began expiring in 2015. In addition, the Company has federal research and development tax credit carryforwards of approximately \$797,462 at December 31, 2015, which if unutilized will expire between 2026 and 2034. The Company also has state research and development tax credit carryforwards of approximately \$610,192 at December 31, 2015 which may be available to reduce future state taxable income if any, over an indefinite period. The net loss carryforwards and these tax credits are subject to examination by state and federal taxing authorities and may need to be revised as a result of any exam.

The Company's tax years that remain open and are subject to examination by tax jurisdiction are years 2011 and forward for federal and years 2010 and forward for the state of California.

During 2015, the Company derecognized \$1,408,000 of tax benefit associated with certain federal and state research and development tax credit carryforwards that, in previous, periods were offset with a full valuation allowance.

As of December 31, 2014 and 2015, there were \$0 and \$1,408,000 in total unrecognized tax benefits, respectively. If recognized, none of these unrecognized tax benefits would result in a tax benefit since they would be fully offset with a valuation allowance.

(8) Stockholders' Deficit

(a) Preferred Convertible Stock

In June 2000, the Company sold 313,500 shares of Series A preferred convertible stock (Series A Preferred Stock) at \$3.84 per share for gross proceeds of \$1.2 million.

In March 2001, the Company sold 290,993 shares of Series B preferred convertible stock (Series B Preferred Stock) at \$4.39 per share for gross proceeds of \$1.3 million in cash. At various times during 2003 the company issued a total of 866,613 additional shares of Series B Preferred Stock for cash and as compensation for services received and to satisfy debt obligations totaling approximately \$1.2 million.

In September 2003, the Company sold 682,000 shares of Series C preferred convertible stock (Series C Preferred Stock) at \$1.00 per share for gross proceeds of \$0.7 million.

In November 2003, the Company sold 4,091,068 shares of Series D Preferred Convertible Stock (Series D Preferred Stock) at \$0.542 per share for gross proceeds of \$2.2 million.

The holders of the Series A, B, C and D Preferred Stock (collectively, Junior Preferred Stock), are entitled to receive cumulative dividends at a rate of \$0.0488, \$0.00, \$0.00 and \$0.0488 per share, per annum, respectively, and are payable upon liquidation, redemption or conversion in order of their preference prior to any dividends on common stock.

The holders of the Junior Preferred Stock are entitled to receive liquidation preferences upon certain deemed liquidation events at the rate equal to their purchase price per share plus all accrued and unpaid dividends. Upon completion of this distribution, any remaining assets will be distributed to the holders

AIRGAIN, INC.

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(Information as of March 31, 2016 and for the three months ended March 31, 2015 and 2016 and pro forma information is unaudited)

of the common stock and to holders of the Junior Preferred Stock and to the holders of the Senior Preferred Stock (on an as converted basis) until all amounts received by the holders of the Series A Preferred Stock is equal to \$19.20 per share, the Series D Preferred Stock is equal to \$2.168 per share, Series E Preferred Stock is equal to \$4.44 per share, Series F Preferred Stock is equal to \$5.20 per share, and Series G Preferred Stock is equal to \$5.20 per share, the remaining assets shall be distributed among holders of shares of the common stock. The holders of the Senior Preferred Stock have priority and are made in preference to any payments to the Junior Preferred Stock up to the Senior Preferred Stock's liquidation preference. The holders of the Junior Preferred Stock have priority and are made in preference to any payments to the holders of the common stock up to the Junior Preferred Stock's liquidation preference. After distribution of both the Senior Preferred Stock and Junior Preferred Stock's liquidation preferences, any remaining assets of the Company shall be distributed to the holders of the common stock.

Each share of Junior Preferred Stock is convertible, at the option of the holder, at any time, into a number of shares of common stock at a conversion price of \$2.17, \$2.4233, \$0.859, \$0.542 for the Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and Series D Preferred Stock, respectively, subject to adjustments for stock dividends, combinations, subdivisions, reclassifications and reorganizations. Each share of Junior Preferred Stock is automatically convertible into common stock immediately upon the earlier of (i) the Company's sale of its common stock in a firm commitment, underwritten public offering registered under the Securities Act of 1933, as amended, in which aggregate proceeds to the Company are at least \$15.0 million and at a per share offering price of at least \$7.68 per share, as adjusted for any stock dividends, combinations, reclassifications, recapitalizations or splits, or (ii) the date specified by written consent or agreement by the holders of the majority of the then outstanding shares voting together as a single class on an as-converted basis (without giving effect to the conversion dividends).

As long as 1,678,450 shares of Junior Preferred Stock remains outstanding, the Company is prohibited from certain transactions without the consent of at least 50% of the then outstanding shares of Junior Preferred Stock or the majority of the Board of Directors.

The holders of the Junior Preferred Stock are entitled to the number of votes equal to the number of shares of common stock into which such shares of preferred stock could be converted and have voting rights and powers equal to the voting rights and powers of the common stock.

AIRGAIN, INC.

Notes to Financial Statements

(Information as of March 31, 2016 and for the three months ended March 31, 2015 and 2016 and pro forma information is unaudited)

(b) Shares Reserved for Future Issuance

The following common stock is reserved for future issuance at December 31, 2014, December 31, 2015 and March 31, 2016 (unaudited):

	Shares		
	December 31, 2014	December 31, 2015	March 31, 2016 (unaudited)
Conversion of Series A, B, C, and D preferred convertible stock	7,536,873	7,536,873	7,536,873
Conversion of Series E, F, and G preferred redeemable convertible stock	23,055,356	23,271,702	23,271,702
Warrants issued and outstanding	8,099,723	7,883,377	7,883,377
Stock option awards issued and outstanding	5,054,500	7,566,922	7,541,922
Authorized for grants under the 2013 Equity Incentive Plan	1,268,760	3,213,138	3,213,138
	<u>45,015,212</u>	<u>49,472,012</u>	<u>49,447,012</u>

(9) Preferred Redeemable Convertible Stock

In June 2005 and February 2006, the Company sold a total of 7,984,727 shares of Series E Preferred Redeemable Convertible Stock (Series E Preferred Stock) at \$1.11 per share for gross proceeds of \$8.8 million in cash.

In February 2007, the Company sold 4,734,374 shares of Series F Preferred Redeemable Convertible Stock (Series F Preferred Stock) at \$1.30 per share for gross proceeds of \$6.2 million in cash.

In March 2008 and June 2009, the Company completed an offering of Series G Preferred Stock at \$1.30 per share for gross proceeds of \$4.3 million in cash. In June 2012, the then outstanding convertible promissory notes and accrued interest thereon in the amount of \$7.1 million converted to 6,216,607 and 463,856 shares of Series G Preferred Stock at the conversion price of \$1.04 or \$1.30 per share, respectively.

The holders of the Senior Preferred Stock are entitled to receive cumulative dividends at a rate of 8% of the original purchase price, per annum and are payable in cash or common shares, at the option of the Company upon liquidation, redemption or conversion in order of their preference prior to any dividends on common stock or Junior Preferred Stock.

The holders of the Senior Preferred Stock are entitled to receive liquidation preferences upon certain deemed liquidation events at the rate equal to their conversion price per share plus all accrued and unpaid dividends.

Each share of Senior Preferred Stock is convertible, at the option of the holder, at any time, into a number of shares of common stock at a conversion price of \$1.111, \$1.30, and \$1.30 for the Series E Preferred Stock, Series F Preferred Stock, and Series G Preferred Stock, respectively, subject to adjustments for stock dividends, combinations, subdivisions, reclassifications and reorganizations. Each share of Senior Preferred Stock is automatically convertible into common stock immediately upon the earlier of (i) the Company's sale of its common stock in a firm commitment, underwritten public offering registered under the Securities Act of 1933, as amended, in which aggregate proceeds to

AIRGAIN, INC.

Notes to Financial Statements

(Information as of March 31, 2016 and for the three months ended March 31, 2015 and 2016 and pro forma information is unaudited)

the Company are at least \$15.0 million, and at a per share offering price of at least \$7.68 per share, as adjusted for any stock dividends, combinations, reclassifications, recapitalizations or splits, or (ii) the date specified by written consent or agreement by the holders of the majority of the then outstanding shares voting together as a single class, provided that the Junior Preferred Stock will also concurrently convert.

As long as 4,875,000 shares of Senior Preferred Stock remain outstanding, the Company is prohibited from certain transactions without the consent of at least 50% of the then outstanding shares of Senior Preferred Stock or the majority of the Board of Directors.

The holders of the Senior Preferred Stock are entitled to the number of votes equal to the number of shares of common stock into which such shares of preferred stock could be converted and have voting rights and powers equal to the voting rights and powers of the common stock.

The following table provides a rollforward of the preferred redeemable convertible stock during the years ended December 31, 2014 and 2015 and the three months ended March 31, 2016 (unaudited):

	Preferred redeemable convertible stock	
	Shares	Amount
Balance at December 31, 2013	23,055,356	\$ 38,579,922
Effect of accretion to redemption value	—	2,144,434
Balance at December 31, 2014	23,055,356	40,724,356
Exercise of warrants	216,346	225,000
Effect of accretion to redemption value	—	2,157,550
Balance at December 31, 2015	23,271,702	\$ 43,106,906
Effect of accretion to redemption value (unaudited)	—	533,204
Balance at March 31, 2016 (unaudited)	23,271,702	43,640,110

(10) Warrants

As of December 31, 2014, December 31, 2015 and March 31, 2016 (unaudited), the Company had warrants outstanding that allow the holders to purchase shares of the Company's Series G Preferred Stock.

AIRGAIN, INC.

Notes to Financial Statements

(Information as of March 31, 2016 and for the three months ended March 31, 2015 and 2016 and pro forma information is unaudited)

Warrants outstanding at December 31, 2014, December 31, 2015, and March 31, 2016 (unaudited) are summarized as follows:

December 31, 2014					
Shares:	Number of warrants outstanding	Issuance date	Expiration dates	Exercise price(s)	Common share equivalent if exercised and converted
Series G preferred redeemable convertible stock	8,099,723	April 2010 through September 2012	Various through September 2016	\$ 1.04	8,099,723
December 31, 2015 and March 31, 2016 (unaudited)					
Shares:	Number of warrants outstanding	Issuance date	Expiration dates	Exercise price(s)	Common share equivalent if exercised and converted
Series G preferred redeemable convertible stock	7,883,377	April 2010 through September 2012	Various through September 2017	\$ 1.04	7,883,377

As the Series G Preferred Stock is redeemable at the option of the Series G preferred stockholders, the Company has determined the warrants for Series G Preferred Stock should be classified as liabilities and adjusted to fair value at each reporting date. The fair value of the warrants is estimated using a combination of an option-pricing model and current value model under the probability-weighted return method, using significant unobservable inputs (Level 3 inputs) including: management's cash flow projections; probability and timing of potential liquidity scenarios; weighted-average cost of capital that included the addition of a company specific risk premium to account for uncertainty associated with the Company achieving future cash flows; selection of appropriate market comparable transactions and multiples; expected volatility; and risk-free rate. The Company used a combination of discounted cash flow, guideline public company and market transaction valuation techniques in estimating the fair value of the warrant liability at each reporting date. The discount rates used were 19%, 21% and 23% at December 31, 2014, 2015 and March 31, 2016 (unaudited), respectively. The fair value of the warrants was \$809,974, \$709,504 and \$630,670 as of December 31, 2014 and 2015 and March 31, 2016 (unaudited), respectively.

Due to the inherent uncertainty in determining the fair value of the Company's warrant liability, the fair value may fluctuate from period to period. On April 2, 2015, the Company and certain holders of the warrants to purchase Series G Preferred Stock adopted an amendment to extend the exercise period for the holders of all outstanding warrants to purchase Series G Preferred Stock by one year, which resulted in incremental expense of \$343,446 during the year ended December 31, 2015.

AIRGAIN, INC.

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(Information as of March 31, 2016 and for the three months ended March 31, 2015 and 2016 and pro forma information is unaudited)

In May 2016, the warrants were amended such that the warrants became immediately exercisable into shares of our common stock. Concurrent with such amendment, the holders of the outstanding warrants elected to net exercise the warrants, and the Company issued an aggregate of 1,271,507 shares of common stock.

(11) Stock Options

In 2013, the Company's board of directors adopted the 2013 Equity Incentive Plan (the Plan) for employees, directors, and consultants. On March 18, 2015, the Company's Board of Directors adopted an amendment to the Plan to increase the share reserve thereunder by 3,000,000 shares. On June 18, 2015, the Company's Board of Directors adopted an amendment to the Plan to increase the share reserve thereunder by an additional 3,000,000 shares. The common stock authorized under the Plan is 12,000,000 shares. Under the Plan, the administrator shall have authority to determine which service providers will receive awards, to grant awards and to set all terms and conditions of awards (including, but not limited to, vesting, exercise and forfeiture provisions). Vested options are canceled 90 days after termination of employment and become available for reissuance under the Plan. As of December 31, 2015 and March 31, 2016 (unaudited), 3,213,138 shares are available for issue under the Plan.

In 2003, the Company's board of directors adopted the 2003 Equity Incentive Plan (the 2003 Plan) for employees, directors, and consultants, which terminated December 31, 2012. The common stock authorized under the 2003 Equity Incentive Plan was 6,000,000 shares. As of December 31, 2015 and March 31, 2016 (unaudited), there are no shares available for issuance under the 2003 Plan.

The grant-date fair value of each option award is estimated on the date of grant using the Black-Scholes-Merton option-pricing model. The weighted average assumptions for 2014 and 2015 grants and the grants for the three months ended March 31, 2016 (unaudited) are provided in the following table. The Company's lack of historical share option exercise experience does not provide it a reasonable basis upon which to estimate an expected term because of a lack of sufficient data. Therefore, we estimate the expected term by using the simplified method, which calculates the expected term as the average of the time-to-vesting and the contractual life of the options. Since the Company's shares are not publicly traded and its shares are rarely traded privately, expected volatility is estimated based on the average historical volatility of similar entities with publicly traded shares. The risk-free rate for the expected term of the option is based on the U.S. Treasury yield curve at the date of grant.

	<u>2014</u>	<u>2015</u>	<u>March 31, 2016</u> <u>(unaudited)</u>
Valuation assumptions:			
Expected dividend yield	0%	0%	0%
Expected volatility	64.4	56.7	56.7
Expected term (years)	5.74	5.42	5.42
Risk-free interest rate	1.9%	1.7%	1.7%

AIRGAIN, INC.

Notes to Financial Statements

(Information as of March 31, 2016 and for the three months ended March 31, 2015 and 2016 and pro forma information is unaudited)

Stock option activity during the periods indicated is as follows:

	Number of shares	Weighted average exercise price	Weighted average remaining contractual term
Balance at December 31, 2013	3,644,500	0.27	4.3
Granted	2,556,000	0.27	9.2
Exercised	(1,000)	0.22	—
Expired/Forfeited	(1,154,000)	0.32	—
Balance at December 31, 2014	5,045,500	0.26	5.8
Granted	5,124,022	0.20	9.2
Exercised	(242,600)	0.32	—
Expired/Forfeited	(2,360,000)	0.28	—
Balance at December 31, 2015	7,566,922	0.21	7.6
Granted	—	—	—
Exercised	—	—	—
Expired/Forfeited	(25,000)	0.22	—
Balance at March 31, 2016 (unaudited)	7,541,922	0.21	7.3
Vested and exercisable at December 31, 2015	5,462,319	0.21	7.1
Vested and Expected to vest at December 31, 2015	7,439,571	0.21	7.5
Vested and exercisable at March 31, 2016 (unaudited)	5,881,067	0.21	7.0
Vested and expected to vest at March 31, 2016 (unaudited)	7,418,899	0.21	7.3

The weighted average grant-date fair value of options granted during 2014 was \$0.15 and \$0.08 during 2015. For fully vested stock options and stock options expected to vest, the aggregate intrinsic value was immaterial as of December 31, 2015.

During the year ended December 31, 2014, the Company granted 2,609,240 shares of restricted common stock with a fair value of \$0.22 per share to its CEO of which 68.75% were vested immediately and 6.25% of the shares vest on each of March 31, 2014, June 30, 2014, September 30, 2014, December 31, 2014 and March 31, 2015. During the year ended December 31, 2015, 500,000 shares of restricted stock were granted to other executives contingent upon the Company achieving an initial public offering of its equity securities. The performance measures were not met and the shares expired as of December 31, 2015. There was no expense recorded for these contingently issuable shares.

At December 31, 2014, December 31, 2015, and March 31, 2016 (unaudited) there was \$198,523, \$214,304 and \$185,411 (unaudited), respectively, of total unrecognized compensation cost related to unvested stock options and restricted stock granted under the plans. That cost is expected to be recognized over the next three years.

AIRGAIN, INC.

Notes to Financial Statements

(Information as of March 31, 2016 and for the three months ended March 31, 2015 and 2016 and pro forma information is unaudited)

The Company currently uses authorized and unissued shares to satisfy share award exercises.

(12) Commitments and Contingencies

(a) Operating Leases

The Company has entered into lease agreements for office space and research facilities in San Diego, California; Taipei, Taiwan; Shenzhen and Jiangsu, China; and Cambridgeshire, United Kingdom. Rent expense was \$584,269 and \$672,526, respectively, for the years ended December 31, 2014 and 2015 and \$146,534 and \$189,862, respectively, for the three months ended March 31, 2015 and 2016 (unaudited). The longest lease expires in June 2020. The Company moved into its new facility in San Diego, California during the year ended December 31, 2014. The new San Diego facility lease agreement included a tenant improvement allowance which provided for the landlord to pay for tenant improvements on behalf of the Company up to \$515,000. Based on the terms of this landlord incentive and involvement of the Company in the construction process, the leasehold improvements purchased under the landlord incentive were determined to be property of the Company.

The future minimum lease payments required under operating leases in effect at December 31, 2015 were as follows:

Year ending:	
2016	\$ 622,226
2017	503,644
2018	496,515
2019	513,893
2020 and beyond	265,940
	<u>\$ 2,402,218</u>

(b) Indemnification

In some agreements to which the Company is a party, the Company has agreed to indemnify the other party for certain matters, including, but not limited to, product liability and intellectual property. To date, there have been no known events or circumstances that have resulted in any material costs related to these indemnification provisions and no liabilities have been recorded in the accompanying financial statements.

(c) Employment Agreements

During 2014 the Company entered into employment agreements with its CEO and certain members of its management team. These agreements provide severance in the aggregate amount of \$575,000 for termination without cause as defined in the agreements.

AIRGAIN, INC.

Notes to Financial Statements

(Information as of March 31, 2016 and for the three months ended March 31, 2015 and 2016 and pro forma information is unaudited)

(13) **Concentration of Credit Risk**

(a) **Concentration of Sales and Accounts Receivable**

The following represents customers that accounted for 10% or more of total revenue during the years ended December 31, 2014 and 2015 and the three months ended March 31, 2015 and 2016 (unaudited) and customers that accounted for 10% or more of total trade accounts receivable at December 31, 2014 and 2015 and March 31, 2015 and 2016 (unaudited).

	Years Ended December 31,		Three Months Ended	
	2014	2015	2015	March 31, 2016
			(unaudited)	
Percentage of net revenue				
Customer A	29%	15%	18%	15%
Customer B	11	28	19	34
Customer C	9	12	12	7

	December 31,		March 31,	
	2014	2015	2015	2016
			(unaudited)	
Percentage of gross trade accounts receivable				
Customer A	12%	12%	18%	14%
Customer B	12	23	14	22
Customer C	—	—	12	1

(b) **Revenue by Geography**

Net revenue by geographic area are as follows. Revenue is attributed by geographic location based on the bill-to location of the Company's customers.

	Years Ended December 31,		March 31,	
	2014	2015	2015	2016
			(unaudited)	
Percentage of net revenue				
China	68%	65%	65%	73%
Other Asia	15	21	16	11
North America	11	8	11	12
Europe	6	6	8	4

Although the Company ships the majority of antennas to its customers in China (primarily ODM's and distributors), the end-users of the Company's products are much more geographically diverse.

(c) **Concentration of Purchases**

During the year ended December 31, 2015, and the three months ended March 31, 2016, all of the Company's products were manufactured by two vendors in China. The second vendor started production in April 2013.

AIRGAIN, INC.

Notes to Financial Statements

(Information as of March 31, 2016 and for the three months ended March 31, 2015 and 2016 and pro forma information is unaudited)

(14) Related-Party Transactions

During the year ended December 31, 2014, the Company provided its CEO a loan of \$266,282 for the payment of federal and state income taxes payable by him as the result of issuance of restricted stock. During the year ended December 31, 2015, the Company forgave the loan and incurred \$266,282 of expense for the loan forgiveness and an additional \$236,414 of expense related to the CEO's taxes on the loan forgiveness.

The Company entered into a professional services agreement with a stockholder, GEN3 Partners, in October 2008. Professional services expense was approximately \$9,000 and \$0, respectively, for the years ended December 31, 2014 and 2015 and \$0 for the three months ended March 31, 2016 (unaudited).

(15) Employee Benefit Plan

The Company established a discretionary 401(k) plan effective January 2005. The 401(k) plan was amended and restated in May 2006. The 401(k) plan covers substantially all employees who have attained age 21. The participants may elect to defer a percentage of their compensation as allowable by law. The Company can make discretionary matching contributions, but so far has not done so.



Shares

Airgain, Inc.

Common Stock

Northland Capital Markets

Until _____, 2016 (25 days after the commencement of this offering), all dealers that buy, sell or trade shares of our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

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Part II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table indicates the expenses to be incurred in connection with the offering described in this registration statement, other than underwriting discounts and commissions, all of which will be paid by us. All amounts are estimated except the Securities and Exchange Commission registration fee, the Financial Industry Regulatory Authority, Inc., or FINRA, filing fee and The NASDAQ Capital Market listing fee.

	Amount
Securities and Exchange Commission registration fee	\$1,738
FINRA filing fee	3,088
NASDAQ Capital Stock Market listing fee	*
Accountants' fees and expenses	*
Legal fees and expenses	*
Blue Sky fees and expenses	*
Transfer Agent's fees and expenses	*
Printing and engraving expenses	*
Miscellaneous	*
Total expenses	\$ *

* To be provided by amendment.

Item 14. Indemnification of Directors and Officers.

We plan to reincorporate in Delaware prior to the effectiveness of this registration statement. Section 102 of the General Corporation Law of the State of Delaware permits a corporation to eliminate the personal liability of directors of a corporation to the corporation or its stockholders for monetary damages for a breach of fiduciary duty as a director, except where the director breached his duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase in violation of Delaware corporate law or obtained an improper personal benefit. Our certificate of incorporation provides that no director of the Registrant shall be personally liable to it or its stockholders for monetary damages for any breach of fiduciary duty as a director, notwithstanding any provision of law imposing such liability, except to the extent that the General Corporation Law of the State of Delaware prohibits the elimination or limitation of liability of directors for breaches of fiduciary duty.

Section 145 of the General Corporation Law of the State of Delaware provides that a corporation has the power to indemnify a director, officer, employee or agent of the corporation, or a person serving at the request of the corporation for another corporation, partnership, joint venture, trust or other enterprise in related capacities against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with an action, suit or proceeding to which he was or is a party or is threatened to be made a party to any threatened, ending or completed action, suit or proceeding by reason of such position, if such person acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, in any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful, except that, in the case of actions brought by or in the right of the corporation, no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or other adjudicating court determines that, despite the adjudication of liability but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

Our certificate of incorporation, which will be effective upon the closing of the offering of our common stock pursuant to this registration statement, will provide that we will indemnify each person who was or is a

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party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding (other than an action by or in the right of us) by reason of the fact that he or she is or was, or has agreed to become, a director or officer, or is or was serving, or has agreed to serve, at our request as a director, officer, partner, employee or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise (all such persons being referred to as an "Indemnitee"), or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding and any appeal therefrom, if such Indemnitee acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, our best interests, and, with respect to any criminal action or proceeding, he or she had no reasonable cause to believe his or her conduct was unlawful. Our certificate of incorporation provides that we will indemnify any Indemnitee who was or is a party to an action or suit by or in the right of us to procure a judgment in our favor by reason of the fact that the Indemnitee is or was, or has agreed to become, a director or officer, or is or was serving, or has agreed to serve, at our request as a director, officer, partner, employee or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise, or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys' fees) and, to the extent permitted by law, amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding, and any appeal therefrom, if the Indemnitee acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, our best interests, except that no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to us, unless a court determines that, despite such adjudication but in view of all of the circumstances, he or she is entitled to indemnification of such expenses. Notwithstanding the foregoing, to the extent that any Indemnitee has been successful, on the merits or otherwise, he or she will be indemnified by us against all expenses (including attorneys' fees) actually and reasonably incurred in connection therewith. Expenses must be advanced to an Indemnitee under certain circumstances.

We will enter into indemnification agreements with each of our directors and officers. These indemnification agreements may require us, among other things, to indemnify our directors and officers for some expenses, including attorneys' fees, judgments, fines and settlement amounts incurred by a director or officer in any action or proceeding arising out of his or her service as one of our directors or officers, or any of our subsidiaries or any other company or enterprise to which the person provides services at our request.

We maintain a general liability insurance policy that covers certain liabilities of directors and officers of our corporation arising out of claims based on acts or omissions in their capacities as directors or officers.

In any underwriting agreement we enter into in connection with the sale of common stock being registered hereby, the underwriters will agree to indemnify, under certain conditions, us, our directors, our officers and persons who control us within the meaning of the Securities Act of 1933, as amended, or Securities Act, against certain liabilities.

Item 15. Recent Sales of Unregistered Securities.

Set forth below is information regarding shares of capital stock issued by us within the last three years. Also included is the consideration received by us for such shares and information relating to the section of the Securities Act, or rule of the Securities and Exchange Commission, under which exemption from registration was claimed.

(a) Issuances of Capital Stock and Warrants to Purchase Capital Stock

From 2009 through 2011, we sold to investors in private placements an aggregate of \$3.0 million of convertible promissory notes and 8,099,723 warrants to purchase shares of our Series G preferred redeemable convertible stock. In May 2016, the warrants were amended such that the warrants became immediately exercisable into shares of our common stock. Concurrent with such amendment, the holders of the outstanding warrants elected to net exercise the warrants, and were granted an aggregate of 1,271,507 shares of our common stock.

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No underwriters were involved in the foregoing sales of securities. The securities described in this section (a) of Item 15 were issued to investors in reliance upon the exemption from the registration requirements of the Securities Act, as set forth in Section 4(a)(2) under the Securities Act and Regulation D promulgated thereunder relative to transactions by an issuer not involving any public offering, to the extent an exemption from such registration was required. All purchasers of convertible notes and shares of preferred convertible redeemable stock described above represented to us in connection with their purchase that they were accredited investors and were acquiring the shares for their own account for investment purposes only and not with a view to, or for sale in connection with, any distribution thereof and that they could bear the risks of the investment and could hold the securities for an indefinite period of time. The purchasers received written disclosures that the securities had not been registered under the Securities Act and that any resale must be made pursuant to a registration statement or an available exemption from such registration.

(b) **Grants and Exercise of Stock Options**

From January 1, 2013 through June 30, 2016, we granted stock options to purchase an aggregate of 11,427,422 shares of our common stock at a weighted average exercise price of \$0.21 per share, to certain of our employees, consultants and directors in connection with services provided to us by such persons. Of these, options to purchase 568,600 shares of common stock have been exercised through June 30, 2016 for aggregate consideration of \$160,692, at a weighted average exercise price of \$0.28 per share.

The stock options and the common stock issuable upon the exercise of such options as described in this section (b) of Item 15 were issued pursuant to written compensatory plans or arrangements with our employees and directors, in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 701 promulgated under the Securities Act or the exemption set forth in Section 4(a)(2) under the Securities Act and Regulation D promulgated thereunder relative to transactions by an issuer not involving any public offering. All recipients either received adequate information about us or had access, through employment or other relationships, to such information.

All of the foregoing securities are deemed restricted securities for purposes of the Securities Act. All certificates representing the issued shares of capital stock described in this Item 15 included appropriate legends setting forth that the securities had not been registered and the applicable restrictions on transfer.

Item 16. Exhibits and Financial Statement Schedules.

(a) **Exhibits.** The list of exhibits is set forth under “Exhibit Index” at the end of this registration statement and is incorporated by reference herein.

(b) **Financial Statement Schedules.** Schedules not listed above have been omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or notes thereto.

Item 17. Undertakings.

The undersigned registrant hereby undertakes to provide to the underwriters, at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by

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a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of San Diego, State of California, on this 15th day of July, 2016.

AIRGAIN, INC.

By: /s/ Charles Myers

Charles Myers
President and Chief Executive Officer

SIGNATURES AND POWER OF ATTORNEY

We, the undersigned officers and directors of Airgain, Inc., hereby severally constitute and appoint Charles Myers and Leo Johnson, and each of them singly (with full power to each of them to act alone), our true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution in each of them for him or her and in his or her name, place and stead, and in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement (or any other registration statement for the same offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933), and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as full to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities held on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Charles Myers</u> Charles Myers	President, Chief Executive Officer and Director (principal executive officer)	July 15, 2016
<u>/s/ Leo Johnson</u> Leo Johnson	Chief Financial Officer (principal financial and accounting officer)	July 15, 2016
<u>/s/ Jim K. Sims</u> Jim K. Sims	Chairman of the Board of Directors	July 15, 2016
<u>/s/ Francis X. Egan</u> Francis X. Egan	Director	July 15, 2016
<u>/s/ Frances Kordyback</u> Frances Kordyback	Director	July 15, 2016
<u>/s/ Thomas A. Munro</u> Thomas A. Munro	Director	July 15, 2016
<u>/s/ Arthur M. Toscanini</u> Arthur M. Toscanini	Director	July 15, 2016

Exhibit Index

Exhibit Number	Description of Exhibit
1.1*	Form of Underwriting Agreement
1.2*	Form of Escrow Agreement
3.1	Sixth Amended and Restated Articles of Incorporation, as amended (currently in effect)
3.2*	Form of Certificate of Incorporation, to be in effect prior to the closing of the offering
3.3	Bylaws, as amended (currently in effect)
3.4*	Form of Amended and Restated Bylaws, to be in effect prior to the closing of the offering
4.1*	Specimen stock certificate evidencing the shares of common stock
4.2	Fourth Amended and Restated Investors' Rights Agreement, dated May 7, 2008
4.3	Form of Preferred Stock Warrant issued to investors in the note financings
4.4*	Form of Warrant to be issued to Northland Securities, Inc. in connection with the offering
5.1*	Opinion of Latham & Watkins LLP
10.1	Amended and Restated Loan and Security Agreement, dated May 21, 2012, by and between Silicon Valley Bank and the Registrant
10.2	First Amendment to Amended and Restated Loan and Security Agreement, dated December 12, 2013, by and between Silicon Valley Bank and the Registrant
10.3	Office Lease, dated June 13, 2013, by and between Kilroy Realty, L.P. and the Registrant
10.4*	Form of Indemnity Agreement for Directors and Officers
10.5#	Airgain, Inc. 2003 Equity Incentive Plan
10.6#	Form of Stock Option Agreement under the Airgain, Inc. 2003 Equity Incentive Plan
10.7#	Airgain, Inc. 2013 Equity Incentive Plan
10.8#	Form of Stock Option Grant Notice and Stock Option Agreement under the Airgain, Inc. 2013 Equity Incentive Plan
10.9#	Restricted Stock Grant Notice and Restricted Stock Agreement under the Airgain, Inc. 2013 Equity Incentive Plan dated March 1, 2014, by and between Charles Myers and the Registrant
10.10#*	Airgain, Inc. 2016 Incentive Award Plan
10.11#*	Form of Stock Option Agreement under the Airgain, Inc. 2016 Incentive Award Plan
10.12#*	Airgain, Inc. 2016 Employee Stock Purchase Plan
10.13#*	Non-Employee Director Compensation Policy
10.14#	Employment Agreement, dated October 28, 2013, by and between Charles A. Myers and the Registrant
10.15#	Employment Agreement, dated July 28, 2014, by and between Leo Johnson and the Registrant
10.16#	Services Agreement, dated December 4, 2012, by and between Leo Johnson and the Registrant
10.17#	Employment Agreement, dated January 1, 2014, by and between Glenn Selbo and the Registrant

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Exhibit Number	Description of Exhibit
10.18	Second Amendment to Amended and Restated Loan and Security Agreement, dated December 16, 2015, by and between Silicon Valley Bank and the Registrant
23.1	Consent of KPMG LLP, independent registered public accounting firm
23.2*	Consent of Latham & Watkins LLP (included in Exhibit 5.1)
24.1	Power of Attorney (included on signature page)

* To be filed by amendment.

Indicates management contract or compensatory plan or arrangement.

**SIXTH AMENDED AND RESTATED
ARTICLES OF INCORPORATION OF AIRGAIN, INC.
a California Corporation**

Perti Visuri hereby certifies that:

ONE: He is the duly elected and acting President and Secretary of said corporation.

TWO: The Articles of Incorporation of said corporation are amended and restated to read in full as follows:

ARTICLE I

The name of this corporation is Airgain, Inc. (this "corporation" or the "corporation").

ARTICLE II

The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

ARTICLE III

A. Classes of Stock. This corporation is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares which this corporation is authorized to issue is sixty-seven million five hundred thousand (67,500,000) shares, of which forty million (40,000,000) shares shall be Common Stock and twenty-seven million five hundred thousand (27,500,000) shares shall be Preferred Stock.

B. Rights, Preferences and Restrictions of Preferred Stock. The Preferred Stock authorized by these articles of incorporation may be issued from time to time in one or more series. The rights, preferences, privileges, and restrictions granted to and imposed on the Series A Preferred Stock, which series shall consist of three hundred thirteen thousand five hundred (313,500) shares, the Series B Preferred Stock, which series shall consist of one million one hundred eighty-three thousand three hundred thirty (1,183,330) shares, the Series C Preferred Stock, which series shall consist of six hundred eighty-two thousand (682,000) shares, the Series D Preferred Stock, which series shall consist of four million two hundred seventy-six thousand three (4,276,003) shares, the Series E Preferred Stock, which series shall consist of ten million five hundred thousand (10,500,000) shares, the Series F Preferred Stock, which series shall consist of five million (5,000,000) shares, and the Series G Preferred Stock, which series shall consist of four million (4,000,000) shares, are as set forth below in this Article III(B). The Series A Preferred Stock, the Series B Preferred Stock, the Series C Preferred Stock and the Series D Preferred Stock are sometimes collectively referred to herein as the "Junior Preferred Stock," the Series E Preferred Stock, the Series F Preferred Stock and the Series G Preferred Stock are sometimes collectively referred to herein as the "Senior Preferred Stock," and the Senior

Preferred Stock and the Junior Preferred Stock are sometimes collectively referred to herein as the “Designated Preferred Stock.”

The Board of Directors is hereby authorized to fix or alter the rights, preferences, privileges and restrictions granted to or imposed upon any wholly unissued series of Preferred Stock, and the number of shares constituting any such series and the designation thereof, or of any of them. Subject to compliance with applicable protective voting rights which have been or may be granted to the Preferred Stock or series thereof in Certificates of Determination or the corporation’s articles of incorporation (“Protective Provisions”), but notwithstanding any other rights of the Preferred Stock or any series thereof, the rights, privileges, preferences and restrictions of any such wholly unissued series may be subordinated to, pari passu with (including, without limitation, inclusion in provisions with respect to liquidation and acquisition preferences, redemption and/or approval of matters by vote or written consent), or senior to any of those of any present or future class or series of Preferred Stock or Common Stock. Subject to compliance with applicable Protective Provisions, the Board of Directors is also authorized to increase or decrease the number of shares constituting any such wholly unissued series, prior or subsequent to the issue of that series, but not below the number of shares of such series then outstanding. In case the number of shares of any series shall be so decreased, the shares constituting such decrease shall resume the status which they had prior to the adoption of the resolution originally fixing the number of shares of such series.

1. Dividend Provisions.

(a) Subject to the rights of series of Preferred Stock that may from time to time come into existence, the holders of shares of Senior Preferred Stock shall be entitled to receive dividends, out of any assets legally available therefor, on a pari passu basis, prior and in preference to any declaration or payment of any dividend (payable other than in Common Stock or other securities and rights convertible into or entitling the holder thereof to receive, directly or indirectly, additional shares of Common Stock of this corporation) on the Common Stock or the Junior Preferred Stock of this corporation, at the rate of \$.089 per share per annum with respect to the Series E Preferred Stock, at the rate of \$.104 per share per annum with respect to the Series F Preferred Stock and at the rate of \$.104 per share per annum with respect to the Series G Preferred Stock. Such dividends shall be cumulative and accrue on each share from the date of issue thereof. Such dividends shall be payable only upon a liquidation pursuant to Section 2 below, upon redemption pursuant to Section 3 below or upon conversion pursuant to Section 4 below. Any accumulation of dividends on the Senior Preferred Stock shall not bear interest. Upon conversion of any shares of the Senior Preferred Stock pursuant to Section 4 below, all such accrued dividends on such shares (the “Senior Preferred Conversion Dividends”) shall be paid on such shares in the form of (i) cash, (ii) additional shares of Common Stock, valued per share at the Original Issue Price (as defined below, and as proportionately adjusted for stock splits, dividends, combinations or other recapitalizations with respect to the Common Stock) of the Series E Preferred Stock, Series F Preferred Stock or Series G Preferred Stock, as applicable, or (iii) any combination thereof, in each case at the option of the corporation.

(b) Subject to the rights of the Senior Preferred Stock set forth in subparagraph (a) above or the rights of series of Preferred Stock that may from time to time come into existence, the holders of shares of Series D Preferred Stock shall be entitled to receive

dividends, out of any assets legally available therefor, prior and in preference to any declaration or payment of any dividend (payable other than in Common Stock or other securities and rights convertible into or entitling the holder thereof to receive, directly or indirectly, additional shares of Common Stock of this corporation) on the Common Stock or the other series of Junior Preferred Stock of this corporation, at the rate of \$.0488 per share per annum. Such dividends shall be cumulative and accrue on each share from the date of issue thereof. Such dividends shall be payable only upon a liquidation pursuant to Section 2 below or upon conversion pursuant to Section 4 below. Any accumulation of dividends on the Series D Preferred Stock shall not bear interest. Notwithstanding any dividend priority or preference of the Senior Preferred Stock stated herein, upon conversion of any shares of the Series D Preferred Stock pursuant to Section 4 below, all such accrued dividends on such shares (the "Series D Conversion Dividends") shall be paid on such shares in the form of (i) cash, (ii) additional shares of Common Stock, valued per share at the Original Issue Price of the Series D Preferred Stock (as defined below, and as proportionately adjusted for stock splits, dividends, combinations or other recapitalizations with respect to the Common Stock), or (iii) any combination thereof, in each case (subject to Section 1(e) below), at the option of the corporation.

(c) Subject to the rights of the Senior Preferred Stock and Series D Preferred Stock set forth in subparagraphs (a) and (b) above or the rights of series of Preferred Stock that may from time to time come into existence, the holders of shares of Series A Preferred Stock shall be entitled to receive dividends, out of any assets legally available therefor, prior and in preference to any declaration or payment of any dividend (payable other than in Common Stock or other securities and rights convertible into or entitling the holder thereof to receive, directly or indirectly, additional shares of Common Stock of this corporation) on the Common Stock, the Series B Preferred Stock or the Series C Preferred Stock of this corporation, at the rate of \$.0488 per share per annum. Such dividends shall be cumulative and accrue on each share from the later of November 26, 2003 or the date of issue of such share. Such dividends shall be payable only upon a liquidation pursuant to Section 2 below or upon conversion pursuant to Section 4 below. Any accumulation of dividends on the Series A Preferred Stock shall not bear interest. Notwithstanding any dividend priority or preference of the Senior Preferred Stock and Series D Preferred Stock stated herein, upon conversion of any shares of the Series A Preferred Stock pursuant to Section 4 below, all such accrued dividends on such shares (the "Series A Conversion Dividends," and together with the Senior Preferred Conversion Dividends and the Series D Conversion Dividends, the "Conversion Dividends") shall be paid on such shares in the form of (i) cash, (ii) additional shares of Common Stock, valued per share at the Original Issue Price of the Series D Preferred Stock (as defined below, and as proportionately adjusted for stock splits, dividends, combinations or other recapitalizations with respect to the Common Stock), or (iii) any combination thereof, in each case (subject to Section 1(e) below), at the option of the corporation.

(d) No dividends shall accrue or be paid on the Series B Preferred Stock or the Series C Preferred Stock.

(e) Notwithstanding the discretion given to the corporation to determine the form of consideration in the last sentence of paragraphs (b) and (c) of this Section 1, all Series A Conversion Dividends accrued prior to July 15, 2005, and all Series D Conversion Dividends accrued prior to July 15, 2005, shall be paid in the form of additional shares of Common Stock.

2. Liquidation Preference.

(a) In the event of any liquidation, dissolution or winding up of this corporation, either voluntary or involuntary, subject to the rights of series of Preferred Stock that may from time to time come into existence, the holders of the Senior Preferred Stock shall be entitled to receive on a pari passu basis, prior and in preference to any distribution of any of the assets of this corporation to the holders of Common Stock or the Junior Preferred Stock by reason of their ownership thereof, an amount per share equal to the Original Issue Price (as defined below) for the Series E Preferred Stock, the Series F Preferred Stock and the Series G Preferred Stock, as applicable, plus all accrued but unpaid dividends on the Series E Preferred Stock, the Series F Preferred Stock and the Series G Preferred Stock, as applicable. If upon the occurrence of such event, the assets and funds thus distributed among the holders of the Senior Preferred Stock shall be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then, subject to the rights of series of Preferred Stock that may from time to time come into existence, the entire assets and funds of the corporation legally available for distribution shall be distributed ratably among the holders of the Senior Preferred Stock in proportion to the preferential amount each such holder is otherwise entitled to receive in respect of such shares.

(b) Upon completion of the distribution required by subparagraph (a) of this Section 2, if any, and any other distribution that is required with respect to series of Preferred Stock that may from time to time come into existence, the holders of the Series D Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any of the assets of this corporation to the holders of Common Stock or the other series of Junior Preferred Stock by reason of their ownership thereof, an amount per share equal to the Original Issue Price (as defined below) for the Series D Preferred Stock plus all accrued but unpaid dividends on Series D Preferred Stock. If upon the occurrence of such event, after payment of the distribution required by subparagraph (a) of this Section 2, the assets and funds thus distributed among the holders of the Series D Preferred Stock shall be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then, subject to the rights of series of Preferred Stock that may from time to time come into existence, the entire remaining assets and funds of the corporation legally available for distribution shall be distributed ratably among the holders of the Series D Preferred Stock in proportion to the number of shares of Series D Preferred Stock held by each.

(c) Upon completion of the distributions required by subparagraphs (a) and (b) of this Section 2, if any, and any other distribution that is required with respect to series of Preferred Stock that may from time to time come into existence, the holders of the Series A Preferred Stock, the Series B Preferred Stock, and the Series C Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any of the assets of this corporation to the holders of Common Stock by reason of their ownership thereof, an amount per share equal to

(i) in the case of Series A Preferred Stock, the Original Issue Price (as defined below) for such series plus all accrued but unpaid dividends on the Series A Preferred Stock, (ii) in the case of Series B Preferred Stock, the Original Issue Price for such series, and (iii) in the case of Series C Preferred Stock, the Original Issue Price for such series. If upon the occurrence of such event, after payment of the distributions required by subparagraphs (a) and (b) of this Section 2, the assets and funds thus distributed among the holders of the Series A Preferred Stock, the Series B Preferred Stock, and the Series C Preferred Stock shall be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then, subject to the rights of series of Preferred Stock that may from time to time come into existence, the entire remaining assets and funds of the corporation legally available for distribution shall be distributed ratably among the holders of the Series A Preferred Stock, the Series B Preferred Stock, and the Series C Preferred Stock in proportion to the preferential amount each such holder is otherwise entitled to receive in respect of such shares.

(d) Upon the completion of the distributions required by subparagraphs (a), (b) and (c) of this Section 2, if any, and any other distribution that may be required with respect to series of Preferred Stock that may from time to time come into existence, the remaining assets of the corporation available for distribution to shareholders shall be distributed among the holders of Series A Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series F Preferred Stock, Series G Preferred Stock and Common Stock pro rata based on the number of shares of Common Stock held by each (assuming conversion of all such Series A Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series F Preferred Stock and Series G Preferred Stock, but without giving effect to the payment of the Conversion Dividends), until (i) with respect to the holders of Series A Preferred Stock, such holders of Series A Preferred Stock shall have received an aggregate of \$19.20 per share (including amounts paid pursuant to subparagraph (c) of this Section 2), (ii) with respect to the holders of Series D Preferred Stock, such holders of Series D Preferred Stock shall have received an aggregate of \$2.168 per share (including amounts paid pursuant to subparagraph (b) of this Section 2), (iii) with respect to the holders of Series E Preferred Stock, such holders of Series E Preferred Stock shall have received an aggregate of \$4.444 per share (including amounts paid pursuant to subparagraph (a) of this Section 2), (iv) with respect to the holders of Series F Preferred Stock, such holders of Series F Preferred Stock shall have received an aggregate of \$5.20 per share (including amounts paid pursuant to subparagraph (a) of this Section 2), and (v) with respect to the holders of Series G Preferred Stock, such holders of Series G Preferred Stock shall have received an aggregate of \$5.20 per share (including amounts paid pursuant to subparagraph (a) of this Section 2); thereafter, subject to the rights of series of Preferred Stock that may from time to time come into existence, if assets remain in this corporation, the holders of Common Stock of this corporation shall receive all of the remaining assets of this corporation pro rata based on the number of shares of Common Stock held by each.

(e) For purposes of these articles of incorporation, (i) the "Original Issue Price" for the Series A Preferred Stock shall be \$3.84 for each outstanding share of Series A Preferred Stock, as such amount may be proportionately adjusted for stock splits, dividends, combinations or other recapitalizations with respect to such shares, (ii) the "Original Issue Price" for the Series B Preferred Stock shall be \$4.39 for each outstanding share of Series B Preferred Stock, as such amount may be proportionately adjusted for stock splits, dividends, combinations or other recapitalizations with respect to such shares, (iii) the "Original Issue Price" for the

Series C Preferred Stock shall be \$1.00 for each outstanding share of Series C Preferred Stock, as such amount may be proportionately adjusted for stock splits, dividends, combinations or other recapitalizations with respect to such shares, (iv) the “Original Issue Price” for the Series D Preferred Stock shall be \$.542 for each outstanding share of Series D Preferred Stock, as such amount may be proportionately adjusted for stock splits, dividends, combinations or other recapitalizations with respect to such shares, (v) the “Original Issue Price” for the Series E Preferred Stock shall be \$1.111 for each outstanding share of Series E Preferred Stock, as such amount may be proportionately adjusted for stock splits, dividends, combinations or other recapitalizations with respect to such shares, (vi) the “Original Issue Price” for the Series F Preferred Stock shall be \$1.30 for each outstanding share of Series F Preferred Stock, as such amount may be proportionately adjusted for stock splits, dividends, combinations or other recapitalizations with respect to such shares, and (vii) the “Original Issue Price” for the Series G Preferred Stock shall be \$1.30 for each outstanding share of Series G Preferred Stock, as such amount may be proportionately adjusted for stock splits, dividends, combinations or other recapitalizations with respect to such shares.

(f) (i) For purposes of this Section 2, a liquidation, dissolution or winding up of this corporation shall be deemed to be occasioned by, or to include, (A) the acquisition of the corporation by another entity by means of any transaction or series of related transactions (including, without limitation, any reorganization, merger or consolidation but, excluding any merger effected exclusively for the purpose of changing the domicile of the corporation); or (B) a sale of all or substantially all of the assets of the corporation; unless the corporation’s shareholders of record as constituted immediately prior to such acquisition or sale will, immediately after such acquisition or sale (by virtue of securities issued as consideration for the corporation’s acquisition or sale or otherwise) hold at least 50% of the voting power of the surviving or acquiring entity in substantially the same proportions as their ownership of shares of capital stock in the corporation immediately prior to such acquisition or sale.

(ii) In any of such events, if the consideration received by the corporation is other than cash, its value will be deemed its fair market value. Any securities shall be valued as follows:

(A) Securities not subject to investment letter or other similar restrictions on free marketability:

(1) If traded on a securities exchange or through the Nasdaq National Market System (or any successor thereto), the value shall be deemed to be the average of the closing prices of the securities on such exchange over the thirty (30) day period ending three (3) days prior to the closing;

(2) If actively traded over-the-counter, the value shall be deemed to be the average of the closing bid or sale prices (whichever is applicable, a closing bid price applying only where a closing sales price for the same day is not available), over the thirty (30) day period ending three (3) days prior to the closing; and

(3) If there is no active public market, the value shall be the fair market value as determined in good faith by the Board of Directors.

(B) The method of valuation of securities subject to investment letter or other restrictions on free marketability (other than restrictions arising solely by virtue of a shareholder's status as an affiliate or former affiliate) shall be to make an appropriate discount from the market value determined as above in (A) (1), (2) or (3) to reflect the approximate fair market value as determined in good faith by the Board of Directors.

(iii) The corporation shall give each holder of record of Designated Preferred Stock written notice of such impending transaction not later than ten (10) days prior to the shareholders' meeting called to approve such transaction, or ten (10) days prior to the closing of such transaction, whichever is earlier, and shall also notify such holders in writing of the final approval of such transaction. The first of such notices shall describe the material terms and conditions of the impending transaction and the provisions of this Section 2, and the corporation shall thereafter give such holders prompt notice of any material changes. The transaction shall in no event take place sooner than ten (10) days after the corporation has given the first notice provided for herein or sooner than ten (10) days after the corporation has given notice of any material changes provided for herein; provided, however, that such periods may be shortened upon the written consent of the holders of Preferred Stock, voting as a class, that are entitled to such notice rights or similar notice rights and that represent at least a majority of the voting power on an as-converted basis of all then outstanding shares of such Preferred Stock (but without giving effect to the Conversion Dividends).

3. Redemption.

(a) Senior Preferred Stock. The corporation shall be obligated to redeem the Senior Preferred Stock as follows:

(i) At any time after the fifth (5th) anniversary of the Series G Preferred Stock Original Issue Date, the holders of at least sixty-six and two-thirds percent (66 2/3%) of the then outstanding shares of Senior Preferred Stock, voting together as a single class, may require the corporation to redeem the Senior Preferred Stock in two (2) annual installments 90 days and 455 days (each a "Redemption Date") after the corporation's receipt of written notice of such vote or written consent of the Senior Preferred Stock. On the first Redemption Date, the corporation shall redeem fifty percent (50%) of the outstanding shares of each series of the Senior Preferred Stock, and on the second Redemption Date, the corporation shall redeem the remaining outstanding shares of Senior Preferred Stock. The corporation shall effect such redemptions on the applicable Redemption Date by paying in cash in exchange for the shares of Senior Preferred Stock to be redeemed a sum equal to the applicable Original Issue Price per share of Senior Preferred Stock (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like) plus accrued and unpaid dividends with respect to such shares. The total amount to be paid for the Senior Preferred Stock is hereinafter referred to as the "Redemption Price." Shares subject to redemption pursuant to this Section 3(a) shall be redeemed from each holder of Senior Preferred Stock on a pro rata basis.

(ii) At least thirty (30) days prior to the first Redemption Date, the corporation shall send a notice (a "Redemption Notice") to all holders of Senior Preferred Stock to be redeemed setting forth (A) the Redemption Price for the shares to be redeemed; and (B) the place at which such holders may obtain payment of the Redemption Price upon surrender

of their share certificates. If the corporation does not have sufficient funds legally available to redeem all shares to be redeemed at the Redemption Date, then it shall redeem such shares pro rata as among each series of the Senior Preferred Stock and the holders thereof, based on the portion of the aggregate Redemption Price payable to them, to the extent possible and shall redeem the remaining shares to be redeemed on the same pro rata basis as soon as sufficient funds are legally available (and shall be considered in default of its redemption obligations under this Section 3 until such remaining shares are in fact redeemed).

(b) Redemption Funds. On or prior to each Redemption Date, the corporation shall deposit the Redemption Price of all shares to be redeemed on such Redemption Date with a bank or trust company having aggregate capital and surplus in excess of \$100,000,000, as a trust fund, with irrevocable instructions and authority to the bank or trust company to pay, on and after such Redemption Date, the Redemption Price of the shares to their respective holders upon the surrender of their share certificates. Any moneys deposited by the corporation pursuant to this Section 3(b) for the redemption of shares thereafter converted into shares of Common Stock pursuant to Section 4 hereof no later than the fifth (5th) day preceding the Redemption Date shall be returned to the corporation forthwith upon such conversion. The balance of any funds deposited by the corporation pursuant to this Section 3(b) remaining unclaimed at the expiration of one (1) year following such Redemption Date shall be returned to the corporation promptly upon its written request.

(c) Mechanics of Redemption. On or after such Redemption Date, each holder of shares of Senior Preferred Stock to be redeemed shall surrender such holder's certificates representing such shares to the corporation in the manner and at the place reasonably designated in the Redemption Notice, and thereupon the Redemption Price of such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof and each surrendered certificate shall be canceled. In the event less than all the shares represented by such certificates are redeemed, a new certificate shall be issued representing the unredeemed shares. From and after such Redemption Date, unless there shall have been a default in payment of the Redemption Price, all rights of the holder of such shares as a holder of Series E Preferred Stock, Series F Preferred Stock or Series G Preferred Stock, as applicable, (except the right to receive the Redemption Price without interest upon surrender of their certificates), shall cease and terminate with respect to such shares; provided that in the event that shares of Senior Preferred Stock are not redeemed due to a default in payment by the corporation or because the corporation does not have sufficient legally available funds, such shares of Senior Preferred Stock shall remain outstanding and shall be entitled to all of the rights and preferences provided herein.

(d) Termination of Conversion Rights. In the event of a call for redemption of the Senior Preferred Stock, the Conversion Rights (as defined in Section 4) for the Senior Preferred Stock shall terminate as to the shares designated for redemption at the close of business on the fifth (5th) day preceding the Redemption Date, unless default is made in payment of the Redemption Price.

4. Conversion. The holders of the Designated Preferred Stock shall have conversion rights as follows (the "Conversion Rights"):

(a) Right to Convert. Each share of Designated 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 this corporation or any transfer agent for such stock, into such number of fully paid and non-assessable shares of Common Stock as is determined by dividing the Original Issue Price for such share by the Conversion Price applicable to such share, determined as hereafter provided, in effect on the date the certificate therefor is surrendered for conversion. The initial Conversion Prices per share of the Designated Preferred Stock shall be as follows: (i) \$2.1700 per share of Series A Preferred Stock, (ii) \$2.4233 per share of Series B Preferred Stock, (iii) \$.8590 per share of Series C Preferred Stock, (iv) \$.5420 per share of Series D Preferred Stock, (v) \$1.111 per share of Series E Preferred Stock, (vi) \$1.30 per share of Series F Preferred Stock, and (vii) \$1.30 per share of Series G Preferred Stock; provided, however, that the respective Conversion Prices for the Designated Preferred Stock shall be subject to adjustment as set forth in subsection 4(d).

(b) Automatic Conversion. Each share of Designated Preferred Stock shall automatically be converted into shares of Common Stock at the Conversion Price at the time in effect for such share of Designated Preferred Stock immediately upon the earlier of (i) except as provided below in subsection 4(c), the corporation's sale of its Common Stock in a firm commitment underwritten public offering pursuant to a registration statement under the Securities Act of 1933, as amended (the "Securities Act"), the public offering price of which is not less than \$7.68 per share (adjusted to reflect subsequent stock dividends, stock splits or recapitalization) and the gross proceeds to the corporation (before underwriting discounts, commissions and fees) of which are not less than \$15,000,000 in the aggregate, or (ii) the date specified by written consent or agreement of (A) in the case of the Junior Preferred Stock, the holders of a majority of the then outstanding shares of Junior Preferred Stock, voting together as a single class on an as-converted basis (without giving effect to the Conversion Dividends), and (B) in the case of the Senior Preferred Stock, the holders of a majority of the then outstanding shares of Senior Preferred Stock, voting together as a single class, provided that the Junior Preferred Stock will also concurrently convert pursuant to clause (A) above.

(c) Mechanics of Conversion. Before any holder of Preferred Stock shall be entitled to convert the same into shares of Common Stock, such holder shall surrender the certificate(s) therefor, duly endorsed, at the office of this corporation or of any transfer agent for the Preferred Stock, and shall give written notice to this corporation at its principal corporate office, of the election to convert the same and shall state therein the name(s) in which the certificate(s) for shares of Common Stock are to be issued. This corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Preferred Stock, or to the nominee(s) of such holder, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled as aforesaid, together with proper payment of the Conversion Dividends payable in cash, if any. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Preferred Stock to be converted, and the person(s) entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder(s) of such shares of Common Stock as of such date. If the conversion is in connection with an underwritten offering of securities registered pursuant to the Securities Act, the conversion may, at the option of any holder tendering Preferred Stock for conversion, be conditioned upon the closing with the underwriters of the sale of securities pursuant to such offering, in which event

the person(s) entitled to receive the Common Stock upon conversion of the Preferred Stock shall not be deemed to have converted such Preferred Stock until immediately prior to the closing of such sale of securities. Notwithstanding the foregoing provisions of this Section 4(c), the corporation shall have five (5) business days following any conversion to determine the portions of any Conversion Dividends to be paid in shares of Common Stock, to the extent permitted by Section 1 above, and any such shares payable in respect of the Conversion Dividends shall not be deemed to be outstanding until such determination is made by the corporation.

(d) Conversion Price Adjustments of Preferred Stock for Certain Dilutive Issuances, Splits and Combinations. The Conversion Prices of the Designated Preferred Stock shall be subject to adjustment from time to time as follows:

(i) (A) (1) If the corporation shall issue, after the date that the first share of Series G Preferred Stock is issued (the "Original Issue Date"), any Additional Stock (as defined below) without consideration or for a consideration per share less than the Conversion Price for the Series G Preferred Stock in effect immediately prior to the issuance of such Additional Stock, the Conversion Price for the Series G Preferred Stock in effect immediately prior to each such issuance shall forthwith (except as otherwise provided in this clause (i)) be adjusted to a price determined by multiplying such Conversion Price by a fraction, (a) the numerator of which shall be the number of shares of Common Stock deemed outstanding (as defined below) immediately prior to such issuance plus the number of shares of Common Stock that the aggregate consideration received by the corporation for such issuance would purchase at the Conversion Price of the Series G Preferred Stock; and (b) the denominator of which shall be the number of shares of Common Stock deemed outstanding (as defined below) immediately prior to such issuance plus the number of shares of such Additional Stock.

(2) If the corporation shall issue, after the Original Issue Date, any Additional Stock (as defined below) without consideration or for a consideration per share less than the Conversion Price for the Series F Preferred Stock in effect immediately prior to the issuance of such Additional Stock, the Conversion Price for the Series F Preferred Stock in effect immediately prior to each such issuance shall forthwith (except as otherwise provided in this clause (i)) be adjusted to a price determined by multiplying such Conversion Price by a fraction, (a) the numerator of which shall be the number of shares of Common Stock deemed outstanding (as defined below) immediately prior to such issuance plus the number of shares of Common Stock that the aggregate consideration received by the corporation for such issuance would purchase at the Conversion Price of the Series F Preferred Stock; and (b) the denominator of which shall be the number of shares of Common Stock deemed outstanding (as defined below) immediately prior to such issuance plus the number of shares of such Additional Stock.

(3) If the corporation shall issue, after the Original Issue Date, any Additional Stock (as defined below) without consideration or for a consideration per share less than the Conversion Price for the Series E Preferred Stock in effect immediately prior to the issuance of such Additional Stock, the Conversion Price for the Series E Preferred Stock in effect immediately prior to each such issuance shall forthwith (except as otherwise provided in this clause (i)) be adjusted to a price determined by multiplying such Conversion Price by a fraction, (a) the numerator of which shall be the number of shares of

Common Stock deemed outstanding (as defined below) immediately prior to such issuance plus the number of shares of Common Stock that the aggregate consideration received by the corporation for such issuance would purchase at the Conversion Price of the Series E Preferred Stock; and (b) the denominator of which shall be the number of shares of Common Stock deemed outstanding (as defined below) immediately prior to such issuance plus the number of shares of such Additional Stock.

(4) If the corporation shall issue after the Original Issue Date any Additional Stock (as defined below) without consideration or for a consideration per share less than the Conversion Price for the Series D Preferred Stock in effect immediately prior to the issuance of such Additional Stock, the Conversion Price for each series of Junior Preferred Stock in effect immediately prior to each such issuance shall forthwith (except as otherwise provided in this clause (i)) be adjusted to a price determined by multiplying the Conversion Price of each such series by a fraction, (a) the numerator of which shall be the number of shares of Common Stock deemed outstanding (as defined below) immediately prior to such issuance plus the number of shares of Common Stock that the aggregate consideration received by the corporation for such issuance would purchase at the Conversion Price of the Series D Preferred Stock; and (b) the denominator of which shall be the number of shares of Common Stock deemed outstanding (as defined below) immediately prior to such issuance plus the number of shares of such Additional Stock.

(5) For the purposes of this clause (A), the number of shares of Common Stock deemed to be outstanding as of a given date shall be the sum of (a) the number of shares of Common Stock actually outstanding, (b) the number of shares of Common Stock into which the then outstanding shares of Preferred Stock could be converted if fully converted on the day immediately preceding the given date, and (c) the number of shares of Common Stock which could be obtained through the exercise or conversion of all other rights, options and convertible securities outstanding on the day immediately preceding the given date.

(B) No adjustment of the Conversion Price for the Designated Preferred Stock shall be made in an amount less than one cent per share, provided that any adjustments which are not required to be made by reason of this sentence shall be carried forward and shall be either taken into account in any subsequent adjustment made prior to 3 years from the date of the event giving rise to the adjustment being carried forward, or shall be made at the end of 3 years from the date of the event giving rise to the adjustment being carried forward. Except to the limited extent provided for in subsections (E)(3) and (E)(4), no adjustment of such Conversion Price pursuant to this subsection 4(d)(i) shall have the effect of increasing the Conversion Price for any series of Designated Preferred Stock above the Conversion Price for such series in effect immediately prior to such adjustment.

(C) In the case of the issuance of Common Stock for cash, the consideration shall be deemed to be the amount of cash paid therefor before deducting any reasonable discounts, commissions or other expenses allowed, paid or incurred by this corporation for any underwriting or otherwise in connection with the issuance and sale thereof.

(D) In the case of the issuance of the Common Stock for a consideration in whole or in part other than cash, the consideration other than cash shall be

deemed to be the fair value thereof as determined by the Board of Directors irrespective of any accounting treatment.

(E) In the case of the issuance (whether before, on or after the Original Issue Date) of options to purchase or rights to subscribe for Common Stock, securities by their terms convertible into or exchangeable for Common Stock or options to purchase or rights to subscribe for such convertible or exchangeable securities, the following provisions shall apply for all purposes of this subsection 4(d)(i) and subsection 4(d)(ii):

(1) The aggregate maximum number of shares of Common Stock deliverable upon exercise (assuming the satisfaction of any conditions to exercisability, including without limitation, the passage of time, but without taking into account potential antidilution adjustments) of such options to purchase or rights to subscribe for Common Stock shall be deemed to have been issued at the time such options or rights were issued and for a consideration equal to the consideration (determined in the manner provided in subsections 4(d)(i)(C) and (d)(i)(D)), if any, received by the corporation upon the issuance of such options or rights plus the minimum exercise price provided in such options or rights (without taking into account potential antidilution adjustments) for the Common Stock covered thereby.

(2) The aggregate maximum number of shares of Common Stock deliverable upon conversion of or in exchange (assuming the satisfaction of any conditions to convertibility or exchangeability, including, without limitation, the passage of time, but without taking into account potential antidilution adjustments) for any such convertible or exchangeable securities or upon the exercise of options to purchase or rights to subscribe for such convertible or exchangeable securities and subsequent conversion or exchange thereof shall be deemed to have been issued at the time such securities were issued or such options or rights were issued and for a consideration equal to the consideration, if any, received by the corporation for any such securities and related options or rights (excluding any cash received on account of accrued interest or accrued dividends), plus the minimum additional consideration, if any, to be received by the corporation (without taking into account potential antidilution adjustments) upon the conversion or exchange of such securities or the exercise of any related options or rights (the consideration in each case to be determined in the manner provided in subsections 4(d)(i)(C) and (d)(i)(D)).

(3) In the event of any change in the number of shares of Common Stock deliverable or in the consideration payable to this corporation upon exercise of such options or rights or upon conversion of or in exchange for such convertible or exchangeable securities, including, but not limited to, a change resulting from the antidilution provisions thereof, the Conversion Prices of Designated Preferred Stock, to the extent in any way affected by or computed using such options, rights or securities, shall be recomputed to reflect such change, but no further adjustment shall be made for the actual issuance of Common Stock or any payment of such consideration upon the exercise of any such options or rights or the conversion or exchange of such securities.

(4) Upon the expiration of any such options or rights, the termination of any such rights to convert or exchange or the expiration of any options or rights related to such convertible or exchangeable securities, the Conversion Prices of the

Designated Preferred Stock, to the extent in any way affected by or computed using such options, rights or securities or options or rights related to such securities, shall be recomputed to reflect the issuance of only the number of shares of Common Stock (and convertible or exchangeable securities which remain in effect) actually issued upon the exercise of such options or rights, upon the conversion or exchange of such securities or upon the exercise of the options or rights related to such securities.

(5) The number of shares of Common Stock deemed issued and the consideration deemed paid therefor pursuant to subsections 4(d)(i)(E)(1) and (2) shall be appropriately adjusted to reflect any change, termination or expiration of the type described in either subsection 4(d)(i)(E)(3) or (4).

(ii) "Additional Stock" shall mean any shares of Common Stock issued (or deemed to have been issued pursuant to subsection 4(d)(i)(E)) by this corporation after the Original Issue Date, other than

(A) Common Stock issued pursuant to a transaction described in subsection 4(d)(iii) hereof,

(B) shares of Common Stock issuable or issued to employees, consultants, officers or directors of this corporation directly or pursuant to a warrant, stock option plan or agreement, restricted stock plan or agreement or other equity incentive plan or agreement, provided that such number of shares shall not exceed 3,285,000 unless approved (by vote or written consent as provided by law) by the holders of a majority of the outstanding shares of Senior Preferred Stock,

(C) shares of Common Stock issued or issuable upon conversion of the Designated Preferred Stock,

(D) shares of Common Stock issued or issuable in connection with the acquisition (whether by merger or otherwise) of another entity pursuant to a transaction approved (by vote or written consent as provided by law) by the holders of a majority of the outstanding shares of Senior Preferred Stock,

(E) shares of Common Stock issued or issuable to strategic or marketing partners pursuant to an agreement approved (by vote or written consent as provided by law) by the holders of a majority of the outstanding shares of Senior Preferred Stock,

(F) shares of Common Stock issued or issuable upon exercise or conversion of options, warrants or convertible securities outstanding on the Original Issue Date, or

(G) shares of Common Stock issued or issuable (I) in a public offering before or in connection with which all outstanding shares of Designated Preferred Stock will be converted to Common Stock or (II) upon exercise of warrants or rights granted to underwriters in connection with such a public offering.

(iii) In the event the corporation should at any time or from time to time after the Original Issue Date fix a record date for the effectuation of a split or subdivision of the outstanding shares of Common Stock or the determination of holders of Common Stock entitled to receive a dividend or other distribution payable in additional shares of Common Stock or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly, additional shares of Common Stock (hereinafter referred to as "Common Stock Equivalents") without payment of any consideration by such holder for the additional shares of Common Stock or the Common Stock Equivalents (including the additional shares of Common Stock issuable upon conversion or exercise thereof), then, as of such record date (or the date of such dividend distribution, split or subdivision if no record date is fixed), the Conversion Prices of the Designated Preferred Stock shall be appropriately decreased so that the number of shares of Common Stock issuable on conversion of each share of Designated Preferred Stock shall be increased in proportion to such increase of the aggregate of shares of Common Stock outstanding and those issuable with respect to such Common Stock Equivalents.

(iv) If the number of shares of Common Stock outstanding at any time after the Original Issue Date is decreased by a combination of the outstanding shares of Common Stock, then, following the record date of such combination, the Conversion Prices for the Designated Preferred Stock shall be appropriately increased so that the number of shares of Common Stock issuable on conversion of each share of Designated Preferred Stock shall be decreased in proportion to such decrease in outstanding shares of Common Stock.

(e) Other Distributions. In the event this corporation shall at any time after the Original Issue Date declare a distribution payable in securities of other persons, evidences of indebtedness issued by this corporation or other persons, assets (excluding cash dividends) or options or rights not referred to in subsection 4(d)(iii), then, in each such case for the purpose of this subsection 4(e), the holders of the Designated Preferred Stock shall be entitled to a proportionate share of any such distribution as though they were the holders of the number of shares of Common Stock of the corporation into which their shares of Designated Preferred Stock are convertible as of the record date fixed for the determination of the holders of Common Stock of the corporation entitled to receive such distribution.

(f) Recapitalizations. If at any time or from time to time after the Original Issue Date there shall be a recapitalization of the Common Stock (other than a subdivision, combination or merger or sale of assets transaction provided for elsewhere in this Section 4 or Section 2), provision shall be made so that the holders of the Designated Preferred Stock shall thereafter be entitled to receive upon conversion of such Preferred Stock the number of shares of stock or other securities or property of the corporation or otherwise, to which a holder of Common Stock deliverable upon such conversion would have been entitled on such recapitalization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 4 with respect to the rights of the holders of the Designated Preferred Stock after the recapitalization to the end that the provisions of this Section 4 (including adjustment of the Conversion Prices then in effect and the number of shares purchasable upon conversion of such Preferred Stock) shall be applicable after that event as nearly equivalent as may be practicable.

(g) No Impairment. This corporation will not, by amendment of its articles of incorporation or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by this corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Section 4 and in the taking of all such action as may be necessary or appropriate in order to protect the Conversion Rights of the holders of the Designated Preferred Stock against impairment.

(h) No Fractional Shares and Certificate as to Adjustments.

(i) No fractional shares shall be issued upon the conversion of any share(s) of Preferred Stock, and the number of shares of Common Stock to be issued shall be determined on the basis of the total number of shares of each series of Preferred Stock the holder is at the time converting into Common Stock and the number of shares of Common Stock issuable upon such aggregate conversion. If, after the foregoing aggregation, the conversion would result in the issuance of any fractional share, the Company shall, in lieu of issuing any fractional share, pay cash equal to the product of such fraction multiplied by the Common Stock's fair market value (as determined by the Board of Directors) on the date of conversion.

(ii) Upon the occurrence of each adjustment or readjustment of the Conversion Prices of Designated Preferred Stock, as the case may be, pursuant to this Section 4, this corporation, at its expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of such Preferred Stock a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. This corporation shall, upon the written request at any time of any holder of the Designated Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth (A) such adjustment and readjustment, (B) the Conversion Price for such series of Preferred Stock at the time in effect, and (C) 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 a share of any series of the Designated Preferred Stock.

(i) Notices of Record Date. In the event of any taking by this corporation of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend) or other distribution, any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right, this corporation shall mail to each holder of Designated Preferred Stock, at least twenty (20) days prior to the date specified therein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend, distribution or right, and the amount and character of such dividend, distribution or right.

(j) Reservation of Stock Issuable Upon Conversion. This corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Designated Preferred Stock, such number of its shares of Common Stock as shall from time to time be

sufficient to effect the conversion of all outstanding shares of such Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of such Preferred Stock, in addition to such other remedies as shall be available to the holder of such Preferred Stock, this corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite shareholder approval of any necessary amendment to these articles of incorporation.

(k) Notices. Unless otherwise expressly provided in these articles of incorporation and subject to applicable law, any notice required by the provisions of this Section 4 to be given to the holders of shares of Preferred Stock shall be deemed given (i) five (5) calendar days after a written notice is deposited in the United States mail, postage prepaid, and addressed to each holder of record at his, her or its address appearing on the books of this corporation, (ii) subject to the last sentence of this paragraph, at the time any other written notice, including confirmed facsimile, telegram or electronic mail message, is personally delivered to such holder or is delivered to a common carrier for transmission, or actually transmitted by the person giving notice by electronic means, to such holder, or (iii) subject to the last sentence of this paragraph, the time any oral notice is communicated, in person or by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, or wireless, to such holder, including such holder's designated voice mailbox or address on such a system, or to a person at the office of such holder who the person giving the notice has reason to believe will promptly communicate it to such holder, as set forth in California Corporations Code Section 118. In respect of clauses (ii) and (iii) of the preceding sentence, if any date of delivery, transmittal or communication is not a business day, such notice shall be deemed given as of the next business day following such date of delivery, transmittal or communication.

5. Voting Rights.

(a) Vote Other Than For Directors. Except as otherwise required by law and as provided in Section 5(b) or Section 6 below, the holder of each share of Designated Preferred Stock shall have the right to one vote for each share of Common Stock into which such share of Preferred Stock could then be converted (but without giving effect to the Conversion Dividends), and with respect to such vote, such holder shall have full voting rights and powers equal to the voting rights and powers of the holders of Common Stock, and shall be entitled, notwithstanding any provision hereof, to notice of any shareholders' meeting in accordance with the bylaws of this corporation, and shall be entitled to vote, together with holders of Common Stock, with respect to any question upon which holders of Common Stock have the right to vote. Fractional votes shall not, however, be permitted and any fractional voting rights available on an as-converted basis (after aggregating all shares into which shares of Designated Preferred Stock held by each holder could be converted) shall be rounded to the nearest whole number (with one-half being rounded upward).

(b) Number of Directors and Voting For Directors. The authorized number of directors of the corporation is eight (8). For so long as at least 1,687,500 shares of Series E Preferred Stock are outstanding, at least 1,150,000 shares of Series F Preferred Stock

are outstanding and at least 1,150,000 shares of Series G Preferred Stock are outstanding (each as adjusted for stock splits, stock dividends and other recapitalizations), (i) the holders of shares of Senior Preferred Stock, voting together as a single class, shall be entitled to elect two (2) directors, (ii) the holders of the Junior Preferred Stock and the Common Stock, voting together as a single class as provided in subsection (a) above, shall be entitled to elect three (3) directors, and (iii) the remaining directors shall be elected by the holders of the Designated Preferred Stock and the holders of Common Stock, voting together as a single class as provided in subsection (a) above. If less than 1,687,500 shares of the Series E Preferred Stock, less than 1,150,000 shares of the Series F Preferred Stock, or 1,150,000 shares of Series G Preferred Stock (each as adjusted for stock splits, stock dividends and other recapitalizations) are outstanding, then all directors shall be elected by the holders of the Designated Preferred Stock and Common Stock, voting together as a single class as provided in subsection (a) above. Any vacancy in the Board of Directors occurring because of the death or resignation of a director elected by the holders of Senior Preferred Stock, voting together as a single class, shall be filled by the vote or written consent of the holders of a majority of the Senior Preferred Stock, and any vacancy in the Board of Directors occurring because of the removal of a director elected by the holders of Senior Preferred Stock, voting together as a single class, shall be filled by the affirmative vote of the holders of a majority of the Senior Preferred Stock or by the unanimous written consent of the holders of the Senior Preferred Stock. Any vacancy occurring because of the death or resignation of a director elected by the vote of both the Common Stock and the Junior Preferred Stock shall be filled by the vote or written consent of the holders of the Common Stock and the Junior Preferred Stock, voting together as a single class as provided in subsection (a) above or, in the absence of action by such holders of the Common Stock and the Junior Preferred Stock, by action of the remaining director or directors then in office. Any vacancy occurring because of the death or resignation of a director elected by the vote of both the Common Stock and the Designated Preferred Stock shall be filled by the vote or written consent of the holders of the Common Stock and the Designated Preferred Stock, voting together as a single class as provided in subsection (a) above or, in the absence of action by such holders of the Common Stock and the Designated Preferred Stock, by action of the remaining director or directors then in office. A director may be removed from the Board of Directors with or without cause by the vote or consent of the holders of the outstanding class or classes with voting power entitled to elect him in accordance with the California Corporations Code.

6. Protective Provisions.

(a) Junior Preferred Stock. Subject to the rights of any series of Preferred Stock which may from time to time come into existence, so long as at least 136,700 shares of Series A Preferred Stock, 296,250 shares of Series B Preferred Stock, 170,500 shares of Series C Preferred Stock, or 1,075,000 shares of Series D Preferred Stock are outstanding (in each case, as adjusted for stock splits, stock dividends and other recapitalizations), this corporation shall not, without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least a majority of the then outstanding shares of Junior Preferred Stock, voting together as a single class on an as-converted basis (but without giving effect to the Conversion Dividends):

(i) sell, transfer, or otherwise dispose of all or any material portion of its assets, or merge into or consolidate with any other corporation (other than a

wholly-owned subsidiary corporation) or effect any transaction or series of related transactions in which more than fifty percent (50%) of the voting power of the corporation is disposed of;

(ii) redeem, purchase or otherwise acquire (or pay into or set aside for a sinking fund for such purpose), or pay dividends with respect to, any share(s) of Junior Preferred Stock or Common Stock; provided, however, that this restriction shall not apply to (A) the repurchase of shares of Common Stock from employees, officers, directors, consultants or other persons performing services for the Company or any subsidiary pursuant to agreements under which the Company has the option to repurchase such shares at cost or at cost upon the occurrence of certain events, such as the termination of employment, or (B) the payment of the Conversion Dividends or dividends on the Series D Preferred Stock or the Series A Preferred Stock pursuant to subsection B(2) of this Article III;

(iii) amend the Corporation's Articles of Incorporation or bylaws; or

(iv) authorize or issue, or obligate itself to issue, any other equity security, including any other security convertible into or exercisable for any equity security having a preference over, or being on a parity with, any series of the Junior Preferred Stock with respect to voting, dividends or upon liquidation.

(b) Series A Preferred Stock. Subject to the rights of series of Preferred Stock which may from time to time come into existence, so long as any shares of Series A Preferred Stock are outstanding, this corporation shall not without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least a majority of the then outstanding shares of Series A Preferred Stock, voting as a separate series:

(i) alter or change the rights, preferences or privileges of the shares of Series A Preferred Stock so as to affect adversely such shares; or

(ii) increase the total number of authorized shares of Series A Preferred Stock.

(c) Series B Preferred Stock and Series C Preferred Stock. Subject to the rights of series of Preferred Stock which may from time to time come into existence, so long as any shares of Series B Preferred Stock and Series C Preferred Stock are outstanding, this corporation shall not without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least a majority of the then outstanding shares of Series B Preferred Stock and Series C Preferred Stock, voting together as a single series on an as-converted basis:

(i) alter or change the rights, preferences or privileges of the shares of Series B Preferred Stock or Series C Preferred Stock so as to affect adversely such shares; or

(ii) increase the total number of authorized shares of such Series B Preferred Stock or Series C Preferred Stock.

(d) Series D Preferred Stock. Subject to the rights of series of Preferred Stock which may from time to time come into existence, so long as any shares of Series D Preferred Stock are outstanding, this corporation shall not without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least a majority of the then outstanding shares of Series D Preferred Stock, voting as a separate series:

(i) alter or change the rights, preferences or privileges of the shares of Series D Preferred Stock so as to affect adversely such shares; or

(ii) increase the total number of authorized shares of Series D Preferred Stock.

(e) Senior Preferred Stock.

(i) Subject to the rights of any series of Preferred Stock which may from time to time come into existence, so long as at least 4,875,000 shares of Senior Preferred Stock are outstanding (as adjusted for stock splits, stock dividends and other recapitalizations), this corporation shall not, without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least a majority of the then outstanding shares of Senior Preferred Stock, voting together as a single class:

(A) sell, transfer, or otherwise dispose of all or any material portion of its assets, or merge into or consolidate with any other corporation (other than a wholly-owned subsidiary corporation) or effect any transaction or series of related transactions in which more than fifty percent (50%) of the voting power of the corporation is disposed of;

(B) redeem, purchase or otherwise acquire (or pay into or set aside for a sinking fund for such purpose), or pay dividends with respect to, any share(s) of Preferred Stock or Common Stock; provided, however, that this restriction shall not apply to (A) the repurchase of shares of Common Stock from employees, officers, directors, consultants or other persons performing services for the Company or any subsidiary pursuant to agreements under which the Company has the option to repurchase such shares at cost or at cost upon the occurrence of certain events, such as the termination of employment, or (B) the payment of the Conversion Dividends or dividends on the Series G Preferred Stock, Series F Preferred Stock, Series E Preferred Stock, Series D Preferred Stock or the Series A Preferred Stock pursuant to subsection B(2) of this Article III;

(C) amend the corporation's Articles of Incorporation or bylaws;

(D) authorize or issue, or obligate itself to issue, any other equity security, including any other security convertible into or exercisable for any equity security having a preference over, or being on a parity with, either series of the Senior Preferred Stock with respect to voting, dividends or upon liquidation;

(E) bind the corporation to any joint venture or similar arrangement, unless such transaction or arrangement is approved by the affirmative vote of at least two-thirds of the corporation's directors,

(F) license or otherwise transfer all or substantially all of the corporation's intellectual property,

(G) increase the corporation's long-term indebtedness, including through liens, lease financings, guarantees, indemnities, pledges and the like, other than in the ordinary course of the corporation's business (for the avoidance of doubt, increases in aggregate long-term indebtedness of more than \$500,000 in any twelve-month period will not be considered ordinary course),

(H) bind the corporation to any employment, consulting or similar services agreement (whether newly executed or by renewal or extension of any current such agreement) with any person performing functions equivalent to those of an executive officer of the corporation, other than in the ordinary course of the corporation's business (for the avoidance of doubt, agreements contemplating payments, whether in cash or through options or other in-kind arrangements, to any individual valued at more than \$500,000 in any twelve-month period will not be considered ordinary course),

(I) change the size, election or voting procedures of the corporation's board of directors.

(ii) Subject to the rights of series of Preferred Stock which may from time to time come into existence, so long as any shares of Senior Preferred Stock are outstanding, this corporation shall not without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least a majority of the then outstanding shares of such series of Senior Preferred Stock, voting as a separate series:

(A) alter or change the rights, preferences or privileges of the shares of such series of Senior Preferred Stock so as to affect adversely such shares; or

(B) increase the total number of authorized shares of such series of Senior Preferred Stock.

7. Status of Converted or Redeemed Stock. In the event any shares of Designated Preferred Stock shall be redeemed or converted pursuant to Section 3 or Section 4 hereof, the shares so converted or redeemed shall be cancelled and shall not be issuable by the corporation. The articles of incorporation of this corporation shall be appropriately amended to effect the corresponding reduction in the corporation's authorized capital stock.

8. Repurchase of Shares. In connection with repurchases by this corporation of its Common Stock pursuant to its agreements with certain of the holders thereof, Sections 502 and 503 of the California General Corporation Law shall not apply in whole or in part with respect to such repurchases.

C. Common Stock

1. Dividend Rights. Subject to the prior rights of holders of all classes of stock at the time outstanding having prior rights as to dividends, the holders of the Common Stock shall be entitled to receive, when, as and if declared by the Board of Directors, out of any assets of the corporation legally available therefor, such dividends as may be declared from time to time by the Board of Directors. Dividends shall not be cumulative.

2. Liquidation Rights. Upon the liquidation, dissolution or winding up of the corporation, the assets of the corporation shall be distributed as provided in Section 2 of Division (B) of this Article III.

3. Redemption. The Common Stock is not redeemable.

4. Voting Rights. The holder of each share of Common Stock shall have the right to one vote, and shall be entitled to notice of any shareholders' meeting in accordance with the bylaws of this corporation, and shall be entitled to vote upon such matters and in such manner as may be provided by law and subsection B(5) of this Article III.

ARTICLE IV

Section 1. The liability of the directors of this corporation for monetary damages shall be eliminated to the fullest extent permissible under California law.

Section 2. This corporation is authorized to provide indemnification of agents (as defined in Section 317 of the California Corporations Code) through bylaw provisions, agreements with the agents, vote of shareholders or disinterested directors, or otherwise in excess of the indemnification otherwise permitted by Section 317 of the California Corporations Code, subject only to applicable limits set forth in Section 204 of the California Corporations Code with respect to actions for breach of duty to the corporation and its shareholders.

Section 3. The foregoing amendment has been approved by the Board of Directors of said corporation.

Section 4. The foregoing amendment was approved by the required vote of the Corporation's shareholders in accordance with Sections 902 and 903 of the California General Corporation Law. The total number of outstanding shares of the Corporation is 3,738,670 shares of Common Stock, 313,500 shares of Series A Preferred Stock, 1,157,606 shares of Series B Preferred Stock, 682,000 shares of Series C Preferred Stock, 3,722,066 shares of Series D Preferred Stock, 7,984,727 shares of Series E Preferred Stock and 4,734,374 shares of Series F Preferred Stock. The number of shares voting in favor of the amendment equaled or exceeded the vote required. The percentage vote required was (i) more than fifty percent (50%) of the outstanding shares of Common Stock, (ii) more than fifty percent (50%) of the outstanding shares of the Preferred Stock voting together as a single class, (iii) more than fifty percent (50%) of the outstanding

shares of Common Stock and Preferred Stock, voting together as a single class on an as-converted basis, (iv) more than fifty percent (50%) of the outstanding shares of the Junior Preferred Stock voting together as a single class on an as-converted basis, (v) more than fifty percent (50%) of the outstanding shares of the Senior Preferred Stock voting together as a single class, (vi) more than fifty percent (50%) of the outstanding shares of Series A Preferred Stock, and (vii) more than fifty percent (50%) of the outstanding shares of the Series F Preferred Stock.

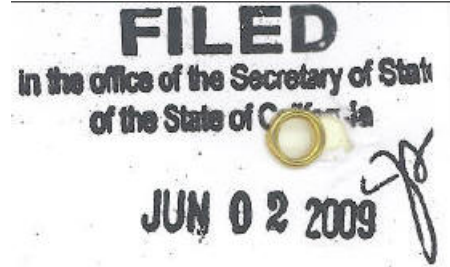
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I further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of my own knowledge.

Dated: April 21, 2008

/s/ Pertti Visuri
Pertti Visuri, President and Secretary

[SIGNATURE PAGE TO SIXTH AMENDED AND
RESTATED ARTICLES OF INCORPORATION OF AIRGAIN, INC.]



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**CERTIFICATE OF AMENDMENT
OF
SIXTH AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
AIRGAIN, INC.**

Pertti Visuri hereby certifies that:

1. He is the President and Secretary of AIRGAIN, INC., a California corporation (the "corporation" or this "corporation").
2. Article III(A) of the corporation's Sixth Amended and Restated Articles of Incorporation, filed with the California Secretary of State on April 21, 2008 (the "Restated Articles") is amended to read in its entirety as follows:

A. Classes of Stock. This corporation is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares which this corporation is authorized to issue is seventy-two million five hundred thousand (72,500,000) shares, of which forty-two million five hundred thousand (42,500,000) shares shall be Common Stock and thirty million (30,000,000) shares shall be Preferred Stock.

3. The first paragraph of Article III(B) of the Restated Articles is amended to read in its entirety as follows:

B. Rights, Preferences and Restrictions of Preferred Stock. The Preferred Stock authorized by these articles of incorporation may be issued from time to time in one or more series. The rights, preferences, privileges, and restrictions granted to and imposed on the Series A Preferred Stock, which series shall consist of three hundred thirteen thousand five hundred (313,500) shares, the Series B Preferred Stock, which series shall consist of one million one hundred eighty-three thousand three hundred thirty (1,183,330) shares, the Series C Preferred Stock, which series shall consist of six hundred eighty-two thousand (682,000) shares, the Series D Preferred Stock, which series shall consist of four million two hundred seventy-six thousand three (4,276,003) shares, the Series E Preferred Stock, which series shall consist of ten million five hundred thousand (10,500,000) shares, the Series F Preferred Stock, which series shall consist of five million (5,000,000) shares, and the Series G Preferred Stock, which series shall consist of six million (6,000,000) shares, are as set forth below in this Article III(B). The Series A Preferred Stock, the Series B Preferred Stock, the Series C Preferred Stock and the Series D Preferred Stock are sometimes collectively referred to herein as the "Junior Preferred Stock," the Series E Preferred Stock, the Series F Preferred Stock

and the Series G Preferred Stock are sometimes collectively referred to herein as the "Senior Preferred Stock," and the Senior Preferred Stock and the Junior Preferred Stock are sometimes collectively referred to herein as the "Designated Preferred Stock."

4. The foregoing amendments have been approved by the corporation's Board of Directors.

5. The foregoing amendments were approved by the required vote of the corporation's shareholders in accordance with Sections 902 and 903 of the Corporations Code. The total number of outstanding shares of the corporation is 3,785,661 shares of Common Stock, 313,500 shares of Series A Preferred Stock, 1,157,606 shares of Series B Preferred Stock, 682,000 shares of Series C Preferred Stock, 4,035,718 shares of Series D Preferred Stock, 7,984,727 shares of Series E Preferred Stock, 4,734,374 shares of Series F Preferred Stock and 1,916,150 shares of Series G Preferred Stock. The number of shares voting in favor of the amendment equaled or exceeded the vote required. The percentage vote required was (i) more than fifty percent (50%) of the outstanding shares of Common Stock, (ii) more than fifty percent (50%) of the outstanding shares of the Preferred Stock voting together as a single class, (iii) more than fifty percent (50%) of the outstanding shares of the Common Stock and Preferred Stock voting together as single class, (iv) more than fifty percent (50%) of the outstanding shares of the Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and Series D Preferred Stock voting together as a single class, (v) more than fifty percent (50%) of the outstanding shares of the Series E Preferred Stock, Series F Preferred Stock and Series G Preferred Stock voting together as a single class, and (vi) more than fifty percent (50%) of the outstanding shares of the Series G Preferred Stock.

I further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of my own knowledge.

Dated: June 2, 2009

/s/ Pertti Visuri

Pertti Visuri
President and Secretary

JUN - 2 2009

**CERTIFICATE OF AMENDMENT
OF
SIXTH AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
AIRGAIN, INC.**

Perti Visuri hereby certifies that:

1. He is the President and Secretary of AIRGAIN, INC., a California corporation (the "corporation" or this "corporation").
2. Article III(A) of the corporation's Sixth Amended and Restated Articles of Incorporation, filed with the California Secretary of State on April 21, 2008 (the "Restated Articles") is amended to read in its entirety as follows:

A. Classes of Stock. This corporation is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares which this corporation is authorized to issue is seventy-two million five hundred thousand (72,500,000) shares, of which forty-two million five hundred thousand (42,500,000) shares shall be Common Stock and thirty million (30,000,000) shares shall be Preferred Stock.

3. The first paragraph of Article III(B) of the Restated Articles is amended to read in its entirety as follows:

B. Rights, Preferences and Restrictions of Preferred Stock. The Preferred Stock authorized by these articles of incorporation may be issued from time to time in one or more series. The rights, preferences, privileges, and restrictions granted to and imposed on the Series A Preferred Stock, which series shall consist of three hundred thirteen thousand five hundred (313,500) shares, the Series B Preferred Stock, which series shall consist of one million one hundred eighty-three thousand three hundred thirty (1,183,330) shares, the Series C Preferred Stock, which series shall consist of six hundred eighty-two thousand (682,000) shares, the Series D Preferred Stock, which series shall consist of four million two hundred seventy-six thousand three (4,276,003) shares, the Series E Preferred Stock, which series shall consist of ten million five hundred thousand (10,500,000) shares, the Series F Preferred Stock, which series shall consist of five million (5,000,000) shares, and the Series G Preferred Stock, which series shall consist of six million (6,000,000) shares, are as set forth below in this Article III(B). The Series A Preferred Stock, the Series B Preferred Stock, the Series C Preferred Stock and the Series D Preferred Stock are sometimes collectively referred to herein as the "Junior Preferred Stock," the Series E Preferred Stock, the Series F Preferred Stock

and the Series G Preferred Stock are sometimes collectively referred to herein as the "Senior Preferred Stock," and the Senior Preferred Stock and the Junior Preferred Stock are sometimes collectively referred to herein as the "Designated Preferred Stock."

4. The foregoing amendments have been approved by the corporation's Board of Directors.

5. The foregoing amendments were approved by the required vote of the corporation's shareholders in accordance with Sections 902 and 903 of the Corporations Code. The total number of outstanding shares of the corporation is 3,785,661 shares of Common Stock, 313,500 shares of Series A Preferred Stock, 1,157,606 shares of Series B Preferred Stock, 682,000 shares of Series C Preferred Stock, 4,035,718 shares of Series D Preferred Stock, 7,984,727 shares of Series E Preferred Stock, 4,734,374 shares of Series F Preferred Stock and 1,916,150 shares of Series G Preferred Stock. The number of shares voting in favor of the amendment equaled or exceeded the vote required. The percentage vote required was (i) more than fifty percent (50%) of the outstanding shares of Common Stock, (ii) more than fifty percent (50%) of the outstanding shares of the Preferred Stock voting together as a single class, (iii) more than fifty percent (50%) of the outstanding shares of the Common Stock and Preferred Stock voting together as single class, (iv) more than fifty percent (50%) of the outstanding shares of the Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and Series D Preferred Stock voting together as a single class, (v) more than fifty percent (50%) of the outstanding shares of the Series E Preferred Stock, Series F Preferred Stock and Series G Preferred Stock voting together as a single class, and (vi) more than fifty percent (50%) of the outstanding shares of the Series G Preferred Stock.

I further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of my own knowledge.

Dated: June 2, 2009

/s/ Pertti Visuri

Pertti Visuri

President and Secretary



**CERTIFICATE OF AMENDMENT
OF
SIXTH AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
AIRGAIN, INC.**

Perti Visuri hereby certifies that:

1. He is the President and Secretary of AIRGAIN, INC., a California corporation (the “corporation” or this “corporation”).

2. Article III(A) of the corporation’s articles of incorporation is amended to read in its entirety as follows:

A. Classes of Stock. This corporation is authorized to issue two classes of stock to be designated, respectively, “Common Stock” and “Preferred Stock.” The total number of shares which this corporation is authorized to issue is eighty million five hundred thousand (80,500,000) shares, of which forty-five million (45,000,000) shares shall be Common Stock and thirty-five million five hundred thousand (35,500,000) shares shall be Preferred Stock.

3. The first paragraph of Article III(B) of the corporation’s articles of incorporation is amended to read in its entirety as follows:

B. Rights, Preferences and Restrictions of Preferred Stock. The Preferred Stock authorized by these articles of incorporation may be issued from time to time in one or more series. The rights, preferences, privileges, and restrictions granted to and imposed on the Series A Preferred Stock, which series shall consist of three hundred thirteen thousand five hundred (313,500) shares, the Series B Preferred Stock, which series shall consist of one million one hundred eighty-three thousand three hundred thirty (1,183,330) shares, the Series C Preferred Stock, which series shall consist of six hundred eighty-two thousand (682,000) shares, the Series D Preferred Stock, which series shall consist of four million two hundred seventy-six thousand three (4,276,003) shares, the Series E Preferred Stock, which series shall consist of ten million five hundred thousand (10,500,000) shares, the Series F Preferred Stock, which series shall consist of five million (5,000,000) shares, and the Series G Preferred Stock, which series shall consist of thirteen million five hundred thousand (13,500,000) shares, are as set forth below in this Article III(B). The Series A Preferred Stock, the Series B Preferred Stock, the Series C Preferred Stock, the Series D Preferred Stock are sometimes collectively referred to herein as the “Junior Preferred Stock,” the Series E

Preferred Stock, the Series F Preferred Stock and the Series G Preferred Stock are sometimes collectively referred to herein as the “Senior Preferred Stock,” and the Senior Preferred Stock and the Junior Preferred Stock are sometimes collectively referred to herein as the “Designated Preferred Stock.”

4. A new clause (H) is added to the end of Section 4(d)(ii) of Article III(B) of the corporation’s articles of incorporation to read as follows:

(H) Up to 7,720,000 shares of Series G Preferred Stock issued or issuable upon exercise or conversion of warrants or convertible promissory notes with an exercise price or conversion price of not less than One Dollar and Four Cents (\$1.04) per share.

5. The foregoing amendments have been approved by the corporation’s Board of Directors.

6. The foregoing amendments were approved by the required vote of the corporation’s shareholders in accordance with Sections 902 and 903 of the Corporations Code. The total number of outstanding shares of the corporation is 3,785,661 shares of Common Stock, 313,500 shares of Series A Preferred Stock, 1,157,606 shares of Series B Preferred Stock, 682,000 shares of Series C Preferred Stock, 4,091,068 shares of Series D Preferred Stock, 7,984,727 shares of Series E Preferred Stock, 4,734,374 shares of Series F Preferred Stock and 3,358,053 shares of Series G Preferred Stock. The number of shares voting in favor of the amendment equaled or exceeded the vote required. The percentage vote required was (i) more than fifty percent (50%) of the outstanding shares of Common Stock, (ii) more than fifty percent (50%) of the outstanding shares of the Preferred Stock voting together as a single class, (iii) more than fifty percent (50%) of the outstanding shares of the Common Stock and Preferred Stock voting together as single class, (iv) more than fifty percent (50%) of the outstanding shares of the Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and Series D Preferred Stock voting together as a single class, (v) more than fifty percent (50%) of the outstanding shares of the Series E Preferred Stock, Series F Preferred Stock and Series G Preferred Stock voting together as a single class, (vi) more than fifty percent (50%) of the outstanding shares of the Series E Preferred Stock, (vii) more than fifty percent (50%) of the outstanding shares of the Series F Preferred Stock, and (viii) more than fifty percent (50%) of the outstanding shares of the Series G Preferred Stock.

I further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of my own knowledge.

Dated: June 24, 2010

/s/ Pertti Visuri

Pertti Visuri
President and Secretary

**CERTIFICATE OF AMENDMENT
OF
SIXTH AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
AIRGAIN, INC.**

Perti Visuri hereby certifies that:

1. He is the President and Secretary of AIRGAIN, INC., a California corporation (the “corporation” or this “corporation”).
2. Article III(A) of the corporation’s articles of incorporation is amended to read in its entirety as follows:

A. Classes of Stock. This corporation is authorized to issue two classes of stock to be designated, respectively, “Common Stock” and “Preferred Stock.” The total number of shares which this corporation is authorized to issue is one hundred million five hundred thousand (100,500,000) shares, of which fifty-five million (55,000,000) shares shall be Common Stock and forty-five million five hundred thousand (45,500,000) shares shall be Preferred Stock.

3. The first paragraph of Article III(B) of the corporation’s articles of incorporation is amended to read in its entirety as follows:

B. Rights, Preferences and Restrictions of Preferred Stock. The Preferred Stock authorized by these articles of incorporation may be issued from time to time in one or more series. The rights, preferences, privileges, and restrictions granted to and imposed on the Series A Preferred Stock, which series shall consist of three hundred thirteen thousand five hundred (313,500) shares, the Series B Preferred Stock, which series shall consist of one million one hundred eighty-three thousand three hundred thirty (1,183,330) shares, the Series C Preferred Stock, which series shall consist of six hundred eighty-two thousand (682,000) shares, the Series D Preferred Stock, which series shall consist of four million two hundred seventy-six thousand three (4,276,003) shares, the Series E Preferred Stock, which series shall consist of ten million five hundred thousand (10,500,000) shares, the Series F Preferred Stock, which series shall consist of five million (5,000,000) shares, and the Series G Preferred Stock, which series shall consist of twenty-three million five hundred thousand (23,500,000) shares, are as set forth below in this Article III(B). The Series A Preferred Stock, the Series B Preferred Stock, the Series C Preferred Stock and the Series D Preferred Stock are sometimes collectively referred to herein as the “Junior Preferred Stock,” the Series E

Preferred Stock, the Series F Preferred Stock and the Series G Preferred Stock are sometimes collectively referred to herein as the "Senior Preferred Stock," and the Senior Preferred Stock and the Junior Preferred Stock are sometimes collectively referred to herein as the "Designated Preferred Stock."

4. Clause (H) of Section 4(d)(ii) of Article III(B) of the corporation's articles of incorporation is amended to read in its entirety as follows:

(H) Up to 17,750,000 shares of Series G Preferred Stock issued or issuable upon exercise or conversion of warrants or convertible promissory notes with an exercise price or conversion price of not less than One Dollar and Four Cents (\$1.04) per share.

5. The foregoing amendments have been approved by the corporation's Board of Directors.

6. The foregoing amendments were approved by the required vote of the corporation's shareholders in accordance with Sections 902 and 903 of the Corporations Code. The total number of outstanding shares of the corporation is 3,785,661 shares of Common Stock, 313,500 shares of Series A Preferred Stock, 1,157,606 shares of Series B Preferred Stock, 682,000 shares of Series C Preferred Stock, 4,091,068 shares of Series D Preferred Stock, 7,984,727 shares of Series E Preferred Stock, 4,734,374 shares of Series F Preferred Stock and 3,358,053 shares of Series G Preferred Stock. The number of shares voting in favor of the amendment equaled or exceeded the vote required. The percentage vote required was (i) more than fifty percent (50%) of the outstanding shares of Common Stock, (ii) more than fifty percent (50%) of the outstanding shares of the Preferred Stock voting together as a single class, (iii) more than fifty percent (50%) of the outstanding shares of the Common Stock and Preferred Stock voting together as single class, (iv) more than fifty percent (50%) of the outstanding shares of the Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and Series D Preferred Stock voting together as a single class, (v) more than fifty percent (50%) of the outstanding shares of the Series E Preferred Stock, Series F Preferred Stock and Series G Preferred Stock voting together as a single class, (vi) more than fifty percent (50%) of the outstanding shares of the Series E Preferred Stock, (vii) more than fifty percent (50%) of the outstanding shares of the Series F Preferred Stock, and (viii) more than fifty percent (50%) of the outstanding shares of the Series G Preferred Stock.

I further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of my own knowledge.

Dated: March 2, 2011

/s/ Pertti Visuri

Pertti Visuri

President and Secretary

CERTIFICATE OF AMENDMENT

OF

ARTICLES OF INCORPORATION

OF

AIRGAIN, INC.

Charles Myers and Leo Johnson hereby certify that:

1. They are the President and Secretary, respectively, of AIRGAIN, INC., a California corporation (the "corporation" or this "corporation").

2. Article III(A) of the corporation's articles of incorporation is amended to read in its entirety as follows:

A. Classes of Stock. This corporation is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares which this corporation is authorized to issue is one hundred and twenty-five million five hundred thousand (125,500,000) shares, of which eighty million (80,000,000) shares shall be Common Stock and forty-five million five hundred thousand (45,500,000) shares shall be Preferred Stock.

3. Section 4(d)(ii)(B) of Article III of the corporation's articles of incorporation is amended to read as follows:

(B) shares of Common Stock issuable or issued to employees, consultants, officers or directors of this corporation directly or pursuant to a warrant, stock option plan or agreement, restricted stock plan or agreement or other equity incentive plan or agreement, provided that such number of shares shall not exceed 12,000,000 unless approved (by vote or by written consent as provided by law) by the holders of a majority of the outstanding shares of Senior Preferred Stock.

4. The foregoing amendments have been approved by the corporation's Board of Directors.

5. The foregoing amendments were approved by the required vote of the corporation's shareholders in accordance with Sections 902 and 903 of the Corporations Code. The total number of outstanding shares of the corporation is 6,415,901 shares of Common Stock, 313,500 shares of Series A Preferred Stock, 1,157,606 shares of Series B Preferred Stock, 682,000 shares of Series C Preferred Stock, 4,091,068 shares of Series D Preferred Stock, 8,202,466 shares of Series E Preferred Stock, 4,734,374 shares of Series F Preferred Stock and 10,334,862 shares of Series G Preferred Stock. The number of shares voting in favor of the amendment equaled or exceeded the vote required. The percentage vote required was (i) more than fifty percent (50%) of the outstanding shares of Common Stock, (ii) more than fifty percent

(50%) of the outstanding Common Stock and Preferred Stock voting together as a single class, (iii) more than fifty percent (50%) of the outstanding shares of the Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and Series D Preferred Stock voting together as a single class; (iv) more than fifty percent (50%) of the outstanding shares of Series E Preferred Stock, Series F Preferred Stock and Series G Preferred Stock voting together as a single class.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

Dated: June 11, 2015

/s/ Charles Myers

Charles Myers, President and Chief Executive Officer

/s/ Leo Johnson

Leo Johnson, Secretary

BY-LAWS
OF
AM GROUP CORPORATION
A CALIFORNIA CORPORATION

ARTICLE I
OFFICES

Section 1. PRINCIPAL OFFICE. The principal office for the transaction of business of the corporation is hereby fixed and located at 2691 Richter Ave, #116 City of Irvine, County of Orange, State of California. The location may be changed by approval of a majority of the authorized Directors, and additional offices may be established and maintained at such other place or places, either within or without California, as the Board of Directors may from time to time designate. Section 2. OTHER OFFICES. Branch or subordinate offices may at any time be established by the Board of Directors at any place or places where the corporation is qualified to do business.

ARTICLE II
DIRECTORS—MANAGEMENT

Section 1. RESPONSIBILITY OF BOARD OF DIRECTORS. Subject to the provisions of the General Corporation Law and to any limitations in the Articles of Incorporation of the corporation relating to action required to be approved by the Shareholders, as that term is defined in Section 153 of the California Corporations Code, or by the outstanding shares, as that term is defined in Section 152 of the Code, the business and affairs of the corporation shall be managed and all corporate powers shall be exercised by or under the direction of the Board of Directors. The Board may delegate the management of the day-to-day operation of the business of the corporation to a management company or other person, provided that the business and affairs of the corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board.

Section 2. STANDARD OF CARE. Each Director shall perform the duties of a Director, including the duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner such Director believes to be in the best interests of the corporation, and with such care, including reasonable inquiry, as an ordinary prudent person in a like position would use under similar circumstances. (Sec. 309)

Section 3. EXCEPTION FOR CLOSE CORPORATION. Notwithstanding the provisions of Section 1, in the event that this corporation shall elect to become a close corporation as defined in Sec. 158, its Shareholders may enter into a Shareholders' Agreement as defined in Sec. 186. Said Agreement may provide for the exercise of corporate powers and the management of the business and affairs of this corporation by the Shareholders, provided, however, such agreement shall, to the extent and so long as the discretion or the powers of the Board in its management of corporate affairs is controlled by such agreement, impose upon each Shareholder who is a party thereof, liability for managerial acts performed or omitted by such person pursuant thereto otherwise imposed upon Directors as provided in Sec. 300 (d); and the Directors shall be relieved to that extent from such liability.

Section 4. NUMBER AND QUALIFICATION OF DIRECTORS. The authorized number of Directors shall be one (1) until changed by an amendment to this by-law adopted by the vote or written consent of holders of a majority of the outstanding shares entitled to vote, as provided in Sec. 212. Each Director shall be a licensed person as defined in Section 13401 (d) of the California Corporations Code.

Section 5. ELECTION AND TERM OF OFFICE OF DIRECTORS. Directors shall be elected at each annual meeting of the Shareholders to hold office until the next annual meeting. Each Director, including a Director elected to fill a vacancy, shall hold office until the expiration of the term for which elected and until a successor has been elected and qualified.

Section 6. VACANCIES. Vacancies in the Board of Directors may be filled by a majority of the remaining Directors, though less than a quorum, or by a sole remaining Director, except that a vacancy created by the removal of a Director by the vote or written consent of the Shareholders or by court order may be filled only by the Vote of a majority of the shares entitled to vote represented at a duly held meeting at which a quorum is present, or by the written consent of holders of a majority of the outstanding shares entitled to vote. Each Director so elected shall hold office until the next annual meeting of the Shareholders and until a successor has been elected and qualified.

Vacancy(ies) in the Board of Directors shall be deemed to exist in the event of the death, resignation, or removal of any Director, or if the Board of Directors by resolution declares vacant the office of a Director who has been declared of unsound mind by an order of court or convicted of a felony, or if the authorized number of Directors is increased, or if the shareholders fail, at any meeting of shareholders at which any Director or Directors are elected, to elect the number of directors to be voted for at that meeting

The Shareholders may elect a Director or Directors at any time to fill any vacancy or vacancies not filled by the Directors, but any such election by written consent shall require the consent of a majority of the outstanding shares entitled to vote.

No reduction of the authorized number of Directors shall have the effect of removing any Director before that Director's term of office expires.

Section 7. REMOVAL OF DIRECTORS. The entire Board of Directors or any individual Director may be removed from office as provided by Sees. 302, 303 and 304 of the Corporations Code of the State of California. In such case, the remaining Board members may elect a successor Director to fill such vacancy for the remaining unexpired term of the Director so removed.

Section 8. NOTICE, PLACE AND MANNER OF MEETINGS. Meetings of the Board of Directors may be called by the Chairman of the Board, or the President, or any Vice President, or the Secretary, or any two (2) Directors and shall be held at the principal executive office of the corporation, unless some other place is designated in the notice of the meeting. Members of the Board may participate in a meeting through use of a conference telephone or similar communications equipment so long as all members participating in such a meeting can hear one another. Accurate minutes of any meeting of the Board or any committee thereof, shall be maintained as required by Sec. 1500 of the Code by the Secretary or other Officer designated for that purpose.

Section 9. ORGANIZATION MEETINGS. The organization meetings of the Board of Directors shall be held immediately following the adjournment of the annual meetings of the Shareholders.

Section 10. OTHER REGULAR MEETINGS. Regular meetings of the Board of Directors shall be held at the corporate offices, or such other place as may be designated by the Board of Directors, as follows:

Time of Regular Meeting: 10: 00 a.m.

Date of Regular Meeting: March 1

If said day shall fall upon a holiday, such meetings shall be held on the next succeeding business day thereafter. No notice need to be given of such regular meetings.

Section 11. SPECIAL MEETINGS—NOTICES—WAIVERS. Special meetings of the Board may be called at any time by any of the aforesaid officers, i.e., by the Chairman of the Board or the President or any Vice President or the Secretary or any two (2) Directors.

At least forty-eight (48) hours notice of the time and place of special meetings shall be delivered personally to the Directors or personally communicated to them by a corporate Officer by telephone or telegraph. If the notice is sent to a Director by letter, it shall be addressed to him or her at his or her address as it is shown upon the records of the corporation, or if it is not so shown on such records or is not readily ascertainable, at the place in which the meetings of the Directors are regularly held. In case such notice is mailed, it shall be deposited in the United States mail, postage prepaid, in the place in which the principal executive office of the corporation is located at least four (4) days prior to the time of the holding of the meeting. Such mailing, telegraphing, telephoning or delivery as above provided shall be due, legal and personal notice to such Director.

When all of the Directors are present at any Directors' meeting, however called or noticed, and either (i) sign a written consent thereto on the records of such meeting, or, (ii) if a majority of the Directors are present and if those not present sign a waiver of notice of such meeting or a consent to holding the meeting or an approval of the minutes thereof, whether prior to or after the holding of such meeting, which said waiver, consent or approval shall be filed with the Secretary of the corporation, or, (iii) if a Director attends a meeting without notice but without protesting, prior thereto or at its commencement, the lack of notice, then the transactions thereof are as valid as if had at a meeting regularly called and noticed.

Section 12. SOLE DIRECTOR PROVIDED BY ARTICLES OF INCORPORATION OR BY-LAWS. In the event only one (1) Director is required by the By-Laws or Articles of Incorporation, then any reference herein to notices, waivers, consents, meetings or other actions by a majority or quorum of the Directors shall be deemed to refer to such notice, waiver, etc., by such sole Director, who shall have all the rights and duties and shall be entitled to exercise all of the powers and shall assume all the responsibilities otherwise herein described as given to a Board of Directors.

Section 13. DIRECTORS ACTION BY UNANIMOUS WRITTEN CONSENT. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting and with the same force and effect as if taken by a unanimous vote of Directors, if authorized by a writing signed individually or collectively by all members of the Board. Such consent shall be filed with the regular minutes of the Board.

Section 14. QUORUM. A majority of the number of Directors as fixed by the Articles of Incorporation or By-Laws shall be necessary to constitute a quorum for the transaction of business, and the action of a majority of the Directors present at any meeting at which there is a quorum, when duly assembled, is valid as a corporate act; provided that a minority of the Directors, in the absence of a quorum, may adjourn from time to time, but may not transact any business. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by a majority of the required quorum for such meeting.

Section 15. NOTICE OF ADJOURNMENT. Notice of the time and place of holding an adjourned meeting need not be given to absent Directors if the time and place be fixed at the meeting adjourned and held within twenty-four (24) hours, but if adjourned more than twenty-four (24) hours, notice shall be given to all Directors not present at the time of the adjournment.

Section 16. COMPENSATION OF DIRECTORS. Directors, as such, shall not receive any stated salary for their services, but by resolution of the Board a fixed sum and expense of attendance, if any, may be allowed for attendance at each regular and special meeting of the Board; provided that nothing herein contained shall be construed to preclude any Director from serving the corporation in any other capacity and receiving compensation therefor.

Section 17. COMMITTEES. Committees of the Board may be appointed by resolution passed by a majority of the whole Board. Committees shall be composed of two (2) or more members of the Board, and shall have such powers of the Board as may be expressly delegated to it by resolution of the Board of Directors, except those powers expressly made non-delegable by Sec. 311.

Section 18. ADVISORY DIRECTORS. The Board of Directors from time to time may elect one or more persons to be Advisory Directors who shall not by such appointment be members of the Board of Directors. Advisory Directors shall be available from time to time to perform special assignments specified by the President, to attend meetings of the Board of Directors upon invitation and to furnish consultation to the Board. The period during which the title shall be held may be prescribed by the Board of Directors. If no period is prescribed, the title shall be held at the pleasure of the Board.

Section 19. RESIGNATIONS. Any Director may resign effective upon giving written notice to the Chairman of the Board, the President, the Secretary or the Board of Directors of the corporation, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be elected to take office when the resignation becomes effective.

ARTICLE III
OFFICERS

Section 1. OFFICERS. The Officers of the corporation shall be a President, a Secretary, and a Chief Financial Officer. The corporation may also have, at the discretion of the Board of Directors, a Chairman of the Board, one or more Vice Presidents, one or more Assistant Secretaries, one or more Assistant Treasurers, and such other Officers as may be appointed in accordance with the provisions of Section 3 of this Article III. Any number of offices may be held by the same person. So long as the corporation has two (2) or more Shareholders, each Officer shall be a licensed person, as defined in the California Corporation Code Section 13401 (d).

Section 2. ELECTION. The Officers of the corporation, except such Officers as may be appointed in accordance with the provisions of Section 3 or Section 5 of this Article, shall be chosen annually by the Board of Directors, and each shall hold office until he or she shall resign or shall be removed or otherwise disqualified to serve, or a successor shall be elected and qualified.

Section 3. SUBORDINATE OFFICERS, ETC. The Board of Directors may appoint such other Officers as the business of the corporation may require, each of whom shall hold office for such period have such authority and perform such duties as are provided in the By-Laws or as the Board of Directors may from time to time determine

Section 4. REMOVAL AND RESIGNATION OF OFFICERS. Subject to the rights, if any, of an Officer under any contract of employment, any Officer may be removed, either with or without cause, by the Board of Directors, at any regular or special meeting of the Board, or, except in case of an Officer chosen by the Board of Directors, by any Officer upon whom such power of removal may be conferred by the Board of Directors.

Any Officer may resign at any time by giving written notice to the corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the corporation under any contract to which the Officer is a party.

Section 5. VACANCIES. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in the By-Laws for regular appointments to that office.

Section 6. CHAIRMAN OF THE BOARD. The Chairman of the Board, if such an officer be elected, shall, if present, preside at meetings of the Board of Directors and exercise and perform such other powers and duties as may be from time to time assigned by the Board of Directors or prescribed by the By-Laws. If there is no President, the Chairman of the Board shall in addition be the Chief Executive Officer of the corporation and shall have the powers and duties prescribed in Section 7 of this Article III.

Section 7. PRESIDENT. Subject to such supervisory powers, if any, as may be given by the Board of Directors to the Chairman of the Board, if there be such an Officer, the President shall be the Chief Executive Officer of the corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and Officers of the corporation. He or she shall preside at all meetings of the Shareholders and in the absence of the Chairman of the Board, or if there be none, at all meetings of the Board of Directors. The President shall be ex officio a member of all the standing committees, including the Executive Committee, if any, and shall have the general powers and duties of management usually vested in the office of President of a corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or the By-Laws.

Section 8. VICE PRESIDENT. In the absence or disability of the President, the Vice Presidents, if any, in order of their rank as fixed by the Board of Directors, or if not ranked, the Vice President designated by the Board of Directors, shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to, all the restrictions upon, the President. The Vice Presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board of Directors or the By-Laws.

Section 9. SECRETARY. The Secretary shall keep, or cause to be kept, a book of minutes at the principal office or such other place as the Board of Directors may order, of all meetings of Directors and Shareholders, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Directors' meetings, the number of shares present or represented at Shareholders' meetings and the proceedings thereof.

The Secretary shall keep, or cause to be kept, at the principal office or at the office of the corporation's transfer agent, a share register, or duplicate share register, showing the names of the Shareholders and their addresses; the number and classes of shares held by each; the number and date of certificates issued for the same; the number and date of cancellation of every certificate surrendered for cancellation.

The Secretary shall give, or cause to be given, notice of all the meetings of the Shareholders and of the Board of Directors required by the By-Laws or by law to be given. He or she shall keep the seal of the corporation in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by the By-Laws.

Section 10. CHIEF FINANCIAL OFFICER. The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained in accordance with generally accepted accounting principles, adequate and correct accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, earnings (or surplus) and shares. The books of account shall at all reasonable times be open to inspection by any Director.

This Officer shall deposit all moneys and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the Board of Directors. He or she shall disburse the funds of the corporation as may be ordered by the Board of Directors, shall render to the President and Directors, whenever they request it, an account of all of his or her transactions and of the financial condition of the corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the By-Laws.

ARTICLE IV SHAREHOLDERS' MEETINGS

Section 1. PLACE OF MEETINGS. All meetings of the Shareholders shall be held at the principal executive office of the corporation unless some other appropriate and convenient location be designated for that purpose from time to time by the Board of Directors.

Section 2. ANNUAL MEETINGS. The annual meetings of the Shareholders shall be held, each year, at the time and on the day following:

Time of Meeting: 1: 00 p.m.
Date of Meeting: March 1

If this day shall be a legal holiday, then the meeting shall be held on the next succeeding business day, at the same hour. At the annual meeting, the Shareholders shall elect a Board of Directors, consider reports of the affairs of the corporation and transact such other business as may be properly brought before the meeting.

Section 3. SPECIAL MEETINGS. Special meetings of the Shareholders may be called at any time by the Board of Directors, the Chairman of the Board, the President, a Vice President, the Secretary, or by one or more Shareholders holding not less than one-tenth (1/10) of the voting power of the corporation. Except as next provided, notice shall be given as for the annual meeting.

Upon receipt of a written request addressed to the Chairman, President, Vice President, or Secretary, mailed or delivered personally to such Officer by any person (other than the Board) entitled to call a special meeting of Shareholders, such Officer shall cause notice to be given, to the Shareholders entitled to vote, that a meeting will be held at a time requested by the person or persons calling the meeting, not less than thirty-five (35) nor more than sixty (60) days after the receipt of such request. If such notice is not given within twenty (20) days after receipt of such request, the persons calling the meeting may give notice thereof in the manner provided by these By-Laws or apply to the Superior Court as provided in Sec. 305 (c).

Section 4. NOTICE OF MEETINGS—REPORTS. Notice of meetings, annual or special, shall be given in writing not less than ten (10) nor more than sixty (60) days before the date of the meeting to Shareholders entitled to vote thereat. Such notice shall be given by the Secretary or the Assistant Secretary, or if there be no such Officer, or in the case of his or her neglect or refusal, by any Director or Shareholder.

Such notices or any reports shall be given personally or by mail or other means of written communication as provided in Sec. 601 of the Code and shall be sent to the Shareholder's address appearing on the books of the corporation, or supplied by him or her to the corporation for the purpose of notice, and in the absence thereof, as provided in Sec. 601 of the Code.

Notice of any meeting of Shareholders shall specify the place, the day and the hour of meeting, and (1) in case of a special meeting, the general nature of the business to be transacted and no other business may be transacted, or (2) in the case of an annual meeting, those matters which the Board at date of mailing, intends to present for action by the Shareholders. At any meetings where Directors are to be elected, notice shall include the names of the nominees, if any, intended at date of notice to be presented by management for election.

If a Shareholder supplies no address, notice shall be deemed to have been given if mailed to the place where the principal executive office of the corporation, in California, is situated, or published at least once in some newspaper of general circulation in the County of said principal office.

Notice shall be deemed given at the time it is delivered personally or deposited in the mail or sent by other means of written communication. The Officer giving such notice or report shall prepare and file an affidavit or declaration thereof.

When a meeting is adjourned for forty-five (45) days or more, notice of the adjourned meeting shall be given as in case of an original meeting. Save, as aforesaid, it shall not be necessary to give any notice of adjournment or of the business to be transacted at an adjourned meeting other than by announcement at the meeting at which such adjournment is taken.

Section 5. WAIVER OF NOTICE OR CONSENT BY ABSENT SHAREHOLDERS. The transactions of any meeting of Shareholders, however called and noticed, shall be valid as though had at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each of the Shareholders entitled to vote, not present in person or by proxy, sign a written waiver of notice, or a consent to the holding of such meeting or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Attendance shall constitute a waiver of notice, unless objection shall be made as provided in Sec. 601 (e).

Section 6. SHAREHOLDERS ACTING WITHOUT A MEETING—DIRECTORS. Any action which may be taken at a meeting of the Shareholders, may be taken without a meeting or notice of meeting if authorized by a writing signed by all of the Shareholders entitled to vote at a meeting for such purpose, and filed with the Secretary of the corporation, provided, further, that while ordinarily Directors can only be elected by unanimous written consent under Sec. 603 (d), if the Directors fail to fill a vacancy, then a Director to fill that vacancy may be elected by the written consent of persons holding a majority of shares entitled to vote for the election of Directors.

Section 7. OTHER ACTIONS WITHOUT A MEETING. Unless otherwise provided in the California Corporations Code or the Articles, any action which may be taken at any annual or special meeting of Shareholders may be taken without a meeting and without prior notice, if a consent in writing, setting forth the action so taken, signed by the holders of outstanding shares

having not less than the minimum number of votes that would be necessary to authorized or take such action at a meeting at which all shares entitled to vote thereon were present and voted.

Unless the consents of all Shareholders entitled to vote have been solicited in writing,

(1) Notice of any Shareholder approval pursuant to Sees. 310, 317, 1201 or 2007 without a meeting by less than unanimous written consent shall be given at least ten (10) days before the consummation of the action authorized by such approval, and

(2) Prompt notice shall be given of the taking of any other corporate action approved by Shareholders without a meeting by less than unanimous written consent, to each of those Shareholders entitled to vote who have not consented in writing.

Any Shareholder giving a written consent, or the Shareholder's proxy holders, or a transferee of the shares of a personal representative of the Shareholder or their respective proxy-holders, may revoke the consent by a writing received by the corporation prior to the time that written consents of the number of shares required to authorize the proposed action have been filed with the Secretary of the corporation, but may not do so thereafter. Such revocation is effective upon its receipt by the Secretary of the corporation.

Section 8. QUORUM. The holders of a majority of the shares entitled to vote thereat, present in person, or represented by proxy, shall constitute a quorum at all meetings of the Shareholders for the transaction of business except as otherwise provided by law, by the Articles of Incorporation, or by these By-Laws. If, however, such majority shall not be present or represented at any meeting of the Shareholders, the Shareholders entitled to vote thereat, present in person, or by proxy, shall have the power to adjourn the meeting from time to time, until the requisite amount of voting shares shall be present. At such adjourned meeting at which the requisite amount of voting shares shall be represented, any business may be transacted which might have been transacted at a meeting as originally notified.

If a quorum be initially present, the Shareholders may continue to transact business until adjournment, notwithstanding the withdrawal of enough Shareholders to leave less than a quorum, if any action taken is approved by a majority of the Shareholders required to initially constitute a quorum.

Section 9. VOTING. Only persons in whose names shares entitled to vote stand on the stock records of the corporation on the day of any meeting of Shareholders, unless some other day be

fixed by the Board of Directors for the determination of Shareholders of record, and then on such other day, shall be entitled to vote at such meeting.

Provided the candidate's name has been placed in nomination prior to the voting and one or more Shareholder has given notice at the meeting prior to the voting of the Shareholder's intent to cumulate the Shareholder's votes, every Shareholder entitled to vote at any election for Directors of any corporation for profit may cumulate their votes and give one candidate a number of votes equal to the number of Directors to be elected multiplied by the number of votes to which his or her shares are entitled, or distribute his or her votes on the same principle among as many candidates as he or she thinks fit.

The candidates receiving the highest number of votes up to the number of Directors to be elected are elected.

The Board of Directors may fix a time in the future not exceeding sixty (60) days preceding the date of any meeting of Shareholders or the date fixed for the payment of any dividend or distribution, or for the allotment or rights, or when any change or conversion or exchange of shares shall go into effect, as a record date for the determination of the Shareholders entitled to notice of and to vote at any such meeting, or entitled to receive any such dividend or distribution, or any allotment of rights, or to exercise the rights in respect to any such change, conversion or exchange of shares. In such case only Shareholders of record on the date so fixed shall be entitled to notice of and to vote at such meeting, or to receive such dividends, distribution or allotment of rights, or to exercise such rights, as the case may be notwithstanding any transfer of any share on the books of the corporation after any record date fixed as aforesaid. The Board of Directors may close the books of the corporation against transfers of shares during the whole or any part of such period.

Section 10. PROXIES. Every Shareholder entitled to vote, or to execute consents, may do so, either in person or by written proxy, executed in accordance with the provisions of Secs. 604 and 705 of the Code and filed with the Secretary of the corporation.

Section 11. ORGANIZATION. The President, or in the absence of the President, any Vice President, shall call the meeting of the Shareholders to order, and shall act as chairman of the meeting. In the absence of the President and all of the Vice Presidents, Shareholders shall appoint a chairman for such meeting. The Secretary of the corporation shall act as Secretary of all meetings of the Shareholders, but in the absence of the

Secretary at any meeting of the Shareholders, the presiding Officer may appoint any person to act as Secretary of the meeting.

Section 12. INSPECTORS OF ELECTION. In advance of any meeting of Shareholders the Board of Directors may, if they so elect, appoint inspectors of election to act at such meeting or any adjournment thereof. If inspectors of election be not so appointed, or if any persons so appointed fail to appear or refuse to act, the chairman of any such meeting may, and on the request of any Shareholder or his or her proxy shall, make such appointment at the meeting in which case the number of inspectors shall be either one (1) or three (3) as determined by a majority of the Shareholders represented at the meeting.

Section 13. (A) SHAREHOLDERS' AGREEMENTS. Notwithstanding the above provisions, in the event this corporation elects to become a close corporation, an agreement between two (2) or more Shareholders thereof, if in writing and signed by the parties thereof, may provide that in exercising any voting rights the shares held by them shall be voted as provided therein or in Sec. 706, and may otherwise modify these provisions as to Shareholders' meetings and actions.

(B) EFFECT OF SHAREHOLDERS' AGREEMENTS. Any Shareholders' Agreement authorized by Sec. 300 (b), shall only be effective to modify the terms of these By-Laws if this corporation elects to become a close corporation with appropriate filing of or amendment to its Articles as required by Sec. 202 and shall terminate when this corporation ceases to be a close corporation. Such an agreement cannot waive or alter Secs. 158, (defining close corporations), 202 (requirements of Articles of Incorporation), 500 and 501 relative to distributions, 111 (merger), 1201 (e) (reorganization) or Chapters 15 (Records and Reports) or 16 (Rights of Inspection), 18 (Involuntary Dissolution) or 22 (Crimes and Penalties). Any other provisions of the Code or these By-Laws may be altered or waived thereby, but to the extent they are not so altered or waived, these By-Laws shall be applicable.

ARTICLE V
CERTIFICATES AND TRANSFER OF SHARES

Section 1. CERTIFICATES FOR SHARES. Certificates for shares shall be of such form and device as the Board of Directors may designate and shall state the name of the record holder of the shares represented thereby; its number; date of issuance; the number of shares for which it is issued; a statement of the rights, privileges, preferences and restrictions, if any; a statement as to the redemption or conversion, if any; a statement of liens or restrictions upon transfer or voting, if any; if the shares be assessable or, if assessments are collectible by personal action, a plain statement of such facts.

All certificates shall be signed in the name of the corporation by the Chairman of the Board or Vice Chairman of the Board or the President or Vice President and by the Chief Financial Officer or an Assistant Treasurer or the Secretary or any Assistant Secretary, certifying the number of shares and the class or series of shares owned by the Shareholder.

Any or all of the signatures on the certificate may be facsimile. In case any Officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed on a certificate shall have ceased to be that Officer, transfer agent, or registrar before that certificate is issued, it may be issued by the corporation with the same effect as if that person were an Officer, transfer agent, or registrar at the date of issue.

Section 2. TRANSFER ON THE BOOKS. Upon surrender to the Secretary or transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

Section 3. LOST OR DESTROYED CERTIFICATES. Any person claiming a certificate of stock to be lost or destroyed shall make an affidavit or affirmation of the fact and shall, if the Directors so require, give the corporation a bond of indemnity, in form and with one or more sureties satisfactory to the Board, in at least double the value of the stock represented by said certificate, whereupon a new certificate may be issued in the same tenor and for the same number of shares as the one alleged to be lost or destroyed.

Section 4. TRANSFER AGENTS AND REGISTRARS. The Board of Directors may appoint one or more transfer agents or transfer clerks, and one or more registrars, which shall be an incorporated bank or trust company, either domestic or foreign, who, shall be appointed at such times and places as the requirements of the corporation may necessitate and the Board of Directors may designate.

Section 5. CLOSING STOCK TRANSFER BOOKS—RECORD DATE. In order that the corporation may determine the Shareholders entitled to notice of any meeting or to vote or entitled to receive payment of any dividend or other distribution or allotment of any rights or entitled to exercise any rights in respect of any other lawful action, the Board may fix, in advance, a record date, which shall not be more than sixty (60) nor less than ten (10) days prior to the date of such meeting nor more than sixty (60) days prior to any other action.

If no record date is fixed; the record date for determining Shareholders entitled to notice of or to vote at a meeting of Shareholders shall be at the close of business on the business day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held. The record date for determining Shareholders entitled to give consent to corporate action in writing without a meeting, when no prior action by the Board is necessary, shall be the day on which the first written consent is given.

The record date for determining Shareholders for any other purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto, or the sixtieth (60th) day prior to the date of such other action, whichever is later.

Section 6. LEGEND CONDITION. In the event any shares of this corporation are issued pursuant to a permit or exemption therefrom requiring the imposition of a legend condition, the person or persons issuing or transferring said shares shall make sure said legend appears on the certificate and shall not be required to transfer any shares free of such legend unless an amendment to such permit or a new permit be first issued so authorizing such a deletion.

Section 7. CLOSE CORPORATION CERTIFICATES. All certificates representing shares of this corporation, in the event it shall elect to become a close corporation, shall contain the legend required by Sec. 418 (c).

Section PROVISION RESTRICTING TRANSFER OF SHARES. Before there can be a valid sale or transfer of any of the shares of this corporation by the holders thereof, the holder of the shares to be sold or transferred shall first give notice in writing to the Secretary of this corporation of his or her intention to sell or transfer such shares. Said notice shall specify the number of shares to be sold or transferred, the price per share and the terms upon which such holder intends to make such sale or transfer. The Secretary shall within five (5) days thereafter, mail or deliver a copy of said notice to each of the other Shareholders of record of this corporation. Such notice may be delivered to such Shareholders personally or may be mailed to the last known addresses of such Shareholders, as the same may appear on the books of this corporation. Within _____ days after the mailing or delivery of said notices to such Shareholders, any such Shareholder or Shareholders desiring to acquire any part or all of the shares referred to in said notice shall deliver by mail or otherwise to the Secretary of this corporation a written offer or offers to purchase a specified number or numbers of such shares at the price and upon the terms stated in said notice.

If the total number of shares specified in such offers exceeds the number of shares referred to in said notice, each offering Shareholder shall be entitled to purchase such proportion of the shares referred to in said notice to the Secretary, as the number of shares of this corporation, which he or she holds bears to the total number of shares held by all Shareholders desiring to purchase the shares referred to in said notice to the Secretary.

If all of the shares referred to in said notice to the Secretary are not disposed of under such apportionment, each Shareholder desiring to purchase shares in a number in excess of his or her proportionate share, as provided above, shall be entitled to purchase such proportion of those shares which remain thus undisposed of, as the total number of shares which he or she holds bears to the total number of shares held by all of the Shareholders desiring to purchase shares in excess of those to which they are entitled under such apportionment.

The aforesaid right to purchase the shares referred to in the aforesaid notice to the Secretary shall apply only if all of the shares referred to in said notice are purchased. Unless all of the shares referred to in said notice to the Secretary are purchased, as aforesaid, in accordance with offers made within said _____ days, the Shareholder desiring to sell or transfer may dispose of all shares of stock referred to in said notice to the Secretary to any person or persons whomsoever; provided, however, that he or she shall not sell or transfer such shares at a lower price or on terms more favorable to the purchaser or transferee than those specified in said notice to the Secretary.

Any sale or transfer, or purported sale or transfer, of the shares of said corporation shall be null and void unless the terms, conditions and provisions of this section are strictly observed and followed.

Section PLEDGED OR HYPOTHECATED SHARES. Any Shareholder desiring to borrow money on or hypothecate any or all of the shares of stock held by such Shareholder shall first mail notice in writing to the Secretary of this corporation of his or her intention to do so. Said notice shall specify the number of shares to be pledged or hypothecated, the amount to be borrowed per share, the terms, rate of interest, and other provisions upon which each Shareholder intends to make such loan or hypothecation. The Secretary shall, within five (5) days thereafter, mail or deliver a copy of said notice to each of the other Shareholders of record of this corporation. Such notice may be delivered to such Shareholder personally, or may be mailed to the last known addresses of such Shareholders as the same may appear on the books of this corporation. Within fifteen (15) days after the mailing or delivering of said notice to said Shareholders, any such Shareholder or Shareholders desiring to lend any part or all of the amount sought to be borrowed, as set forth in said notice, at the terms therein specified, shall deliver by mail, or otherwise, to the Secretary of this corporation a written offer or offers to lend a certain amount of money for the term, at the rate of interest, and upon the other provisions specified in said notice.

If the total amount of money subscribed in such offers exceeds the amount sought to be borrowed, specified in said notice, each offering Shareholder shall be entitled to lend such proportion of the amount sought to be borrowed, as set forth in said notice, as the number of shares which he or she holds bears to the total number of shares held by all such Shareholders desiring to lend all or part of the amount specified in said notice.

If the entire amount of monies sought to be borrowed, as specified in said notice, is not subscribed as set forth in the preceding paragraphs, each Shareholder desiring to lend an amount in excess of his or her proportionate share, as specified in the preceding paragraph, shall be entitled to lend such proportion of the subscribed amount as the total number of shares which he or she holds bears to the total number of shares held by all of the Shareholders desiring to lend an amount in excess of that to which they are entitled under such apportionment. If there be but one Shareholder so desiring to lend, such Shareholder shall be entitled to lend up to the full amount sought to be borrowed.

If none, or only a part of the amount sought to be borrowed, as specified in said notice, is subscribed as aforesaid, in accordance with offers made within said fifteen (15) day period, the Shareholder desiring to borrow may borrow from any person or persons he or she may so desire as to any or all shares of stock held by him or her which have not been covered by lending Shareholders; provided, however, that said Shareholders shall not borrow any lesser amount, or any amount on terms less favorable to the borrower, than those specified in said notice to the Secretary.

Any pledge or hypothecation, or other purported transfer as security for a loan of the shares of this corporation, shall be null and void unless the terms, conditions and provisions of these By-Laws are strictly observed and followed.

ARTICLE VI
RECORDS—REPORTS—INSPECTION

Section 1. RECORDS. The corporation shall maintain, in accordance with generally accepted accounting principles, adequate and correct accounts, books and records of its business and properties. All of such books, records and accounts shall be kept at its principal executive office in the State of California, as fixed by the Board of Directors from time to time.

Section 2. INSPECTION OF BOOKS AND RECORDS. All books and records provided for in Sec. 1500 shall be open to inspection of the Directors and Shareholders from time to time and in the manner provided in said Sec. 1600—1602.

Section 3. CERTIFICATION AND INSPECTION OF BY-LAWS. The original or a copy of these By-Laws, as amended or otherwise altered to date, certified by the Secretary, shall be kept at the corporation's principal executive office and shall be open to inspection by the Shareholders of the corporation at all reasonable times during office hours, as provided in Sec. 213 of the Corporations Code.

Section 4. CHECKS, DRAFTS, ETC. All checks, drafts, or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the corporation, shall be signed or endorsed by such person or persons and in such manner as shall be determined from time to time by resolution of the Board of Directors.

Section 5. CONTRACTS, ETC. — HOW EXECUTED. The Board of Directors, except as in the By-Laws otherwise provided, may authorize any Officer or Officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the corporation. Such authority may be general or confined to specific instances. Unless so authorized by the Board of Directors, no Officer, agent or employee shall have any power or authority to bind the corporation by any contract or agreement, or to pledge its credit, or to render it liable for any purpose or to any amount, except as provided in Sec. 313 of the Corporations Code.

ARTICLE VII
ANNUAL REPORTS

Section 1. REPORT TO SHAREHOLDERS, DUE DATE. The Board of Directors shall cause an annual report to be sent to the Shareholders not later than one hundred twenty (120) days after the close of the fiscal or calendar year adopted by the corporation. This report shall be sent at least fifteen (15) days before the annual meeting of Shareholders to be held during the next fiscal year and in the manner specified in Section 4 of Article IV of these By-Laws for giving notice to Shareholders of the corporation. The annual report shall contain a balance sheet as of the end of the fiscal year and an income statement and statement of changes in financial position for the fiscal year, accompanied by any report of independent accountants or, if there is no such report, the certificate of an authorized Officer of the corporation that the statements were prepared without audit from the books and records of the corporation.

Section 2. WAIVER. The annual report to Shareholders referred to in Section 1501 of the California General Corporation Law is expressly dispensed with so long as this corporation shall have less than one hundred (100) Shareholders. However, nothing herein shall be interpreted as prohibiting the Board of Directors from issuing annual or other periodic reports to the Shareholders of the corporation as they consider appropriate.

ARTICLE VIII
AMENDMENTS TO BY-LAWS

Section 1. AMENDMENT BY SHAREHOLDERS. New By-Laws may be adopted or these By-Laws may be amended or repealed by the vote or written consent of holders of a majority of the outstanding shares entitled to vote; provided, however, that if the Articles of Incorporation of the corporation set forth the number of authorized Directors of the corporation, the authorized number of Directors may be changed only by an amendment of the Articles of Incorporation.

Section 2. POWERS OF DIRECTORS. Subject to the right of the Shareholders to adopt, amend or repeal By-Laws, as provided in Section 1 of this Article VIII, and the limitations of Sec. 204 (a) (5) and Sec. 212, the Board of Directors may adopt, amend or repeal any of these By-Laws other than a By-Law or amendment thereof changing the authorized number of Directors.

Section 3. RECORD OF AMENDMENTS. Whenever an amendment or new By-Law is adopted, it shall be copied in the book of By-Laws with the original By-Laws, in the appropriate place. If any By-Law is repealed, the fact of repeal with the date of the meeting at which the repeal was enacted or written assent was filed shall be stated in said book.

ARTICLE IX
CORPORATE SEAL

The corporate seal shall be circular in form, and shall have inscribed thereon the name of the corporation, the year or date of its incorporation, and the word "California".

ARTICLE X
MISCELLANEOUS

Section 1. REFERENCES TO CODE SECTIONS. "Sec." references herein refer to the equivalent Sections of the California Corporations Code effective January 1, 1977, as amended.

Section 2. REPRESENTATION OF SHARES IN OTHER CORPORATIONS. Shares of other corporations standing in the name of this corporation may be voted or represented and all incidents thereto may be exercised on behalf of the corporation by the Chairman of the Board, the President or any Vice President and the Secretary or an Assistant Secretary.

Section 3. SUBSIDIARY CORPORATIONS. Shares of this corporation owned by a subsidiary shall not be entitled to vote on any matter. A subsidiary for these purposes is defined as a corporation, the shares of which possessing more than 25% of the total combined voting power of all classes of shares entitled to vote, are owned directly or indirectly through one (1) or more subsidiaries.

Section 4. INDEMNIFICATION AND LIABILITY. The liability of the directors of the corporation for monetary damages shall be eliminated to the fullest extent permissible under California law.

The corporation is authorized to provide indemnification of agents (as defined in Section 317 of the California Corporations Code) for breach of duty to the corporation and shareholders through bylaw provisions or through agreements with the agents, or both, in excess of the indemnification otherwise permitted by Section 317 of the California Corporations Code, subject to the limits on such excess indemnification set forth in Section 204 of the California Corporations Code.

Section 5. ACCOUNTING YEAR. The accounting year of the corporation shall be fixed by resolution of the Board of Directors.

CERTIFICATE OF ADOPTION OF BY-LAWS

ADOPTION BY INCORPORATOR(S) OR FIRST DIRECTOR(S).

The undersigned person (s) named in the Articles of Incorporation as the Incorporator(s) or First Director(s) of the above named corporation hereby adopt the same as the By-Laws of said corporation.

Executed this day of , 19

/s/ Phillip Lam

Name Phillip Lam

CERTIFICATE BY SECRETARY

I DO HEREBY CERTIFY AS FOLLOWS:

That I am the duly elected, qualified and acting Secretary of the above named corporation, that the foregoing By-Laws were adopted as the By-Laws of said corporation on the date set forth above by the person(s) named in the Articles of Incorporation as the Incorporator(s) or First Director(s) of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal this day of 19

/s/ Phillip Lam

Phillip Lam

Secretary

CERTIFICATE BY SECRETARY OF ADOPTION BY SHAREHOLDERS' VOTE.

THIS IS TO CERTIFY:

That I am the duly elected, qualified and acting Secretary of the above named corporation and that the above and foregoing Code of By-Laws was submitted to the Shareholders at their first meeting and recorded in the minutes thereof, was ratified by the vote of Shareholders entitled to exercise the majority of the voting power of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand this day of , 19

/s/ Phillip Lam

Phillip Lam

Secretary

**CERTIFICATE OF AMENDMENT TO
BYLAWS
OF AM GROUP CORPORATION**

I, Phillip Lam, hereby certify that:

1. I am the Secretary of AM GROUP CORPORATION, a California corporation.

2. Article II, Section 4 of the Corporation's Bylaws is amended in its entirety to read as follows:

"Section 4. NUMBER AND QUALIFICATIONS OF DIRECTORS. The number of directors that shall constitute the whole Board of Directors shall be not more than nine (9) nor fewer than five (5); the exact number of directors may be fixed from time to time within such limit by a duly adopted resolution of the Board of Directors or the shareholders; the exact number of directors presently authorized shall be eight (8) until changed within the limits specified above by a duly adopted resolution of the Board of Directors or shareholders. Directors need not be shareholders."

3. Pages 15a and 15b of the Corporation's Bylaws are deleted in their entirety.

4. The word "The" in the first sentence of Article VII, Section 1 of the Corporation's Bylaws shall be deleted and replaced with the phrase "Subject to Section 2 below, the."

5. Article VIII, Section 2 of the Corporation's Bylaws is amended in its entirety to read as follows:

"Section 2. POWERS OF DIRECTORS. Subject to the rights of the Shareholders to adopt, amend or repeal Bylaws, as provided in Section 1 of this Article VIII, the Board of Directors may adopt, amend or repeal any of these Bylaws, except that an amendment of the Bylaws changing the authorized number of directors may be adopted by the Board of Directors only if these Bylaws permit an indefinite number of directors and the Bylaw or amendment thereof adopted by the Board of Directors changes the authorized number of directors within the limits specified in these Bylaws."

6. The foregoing amendments of the Corporation's Bylaws have been duly approved by the Board of Directors and the shareholders of the Corporation.

I further declare under penalty of perjury under the laws of the State of California that the matters set forth in this Certificate are true and correct of my own knowledge.

Dated: January 12, 2001

/s/ Phillip Lam
Phillip Lam,
Secretary

**CERTIFICATE OF AMENDMENT
OF
BYLAWS**

I, Phillip Lam, hereby certify that:

1. I am the duly elected secretary of Airgain, Inc., a California corporation (the "Corporation").

2. Article II, Section 4 of the Bylaws of the Corporation is amended to read in its entirety as follows:

Section 4. Number and Qualification of Directors. The authorized number of directors shall be seven (7), until changed by an amendment to the Articles of Incorporation or by an amendment to this Bylaw duly adopted by the vote or written consent of the holders of a majority of the outstanding shares entitled to vote. Directors need not be shareholders.

3. The foregoing amendment of the bylaws was duly approved by the shareholders effective as of November 3, 2003.

I further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of my own knowledge.

Dated as of November 17, 2003.

/s/ Phillip Lam
Phillip Lam, Secretary

FOURTH AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

THIS FOURTH AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT (the "Agreement") is made as of May 7, 2008, by and among Airgain, Inc., a California corporation (the "Company"), and the investors listed on Schedule A (each, an "Investor" and collectively, the "Investors").

RECITALS

WHEREAS, in connection with the sale by the Company of its Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, and Series F Preferred Stock, the Company, certain of the Investors and others have previously entered into that certain Third Amended and Restated Investors' Rights Agreement dated as of February 9, 2007 (the "Prior Agreement");

WHEREAS, the Company intends to sell shares of its Series G Preferred Stock concurrently with the execution herewith (the "Series G Financing");

WHEREAS, the Company and certain of the Investors have entered into a Series G Preferred Stock Purchase Agreement for sale by the Company and purchase by such Investors of the Company's Series G Preferred Stock in connection with the Series G Financing (the "Purchase Agreement");

WHEREAS, in order to induce investors to purchase shares of the Company's Series G Preferred Stock and execute the Purchase Agreement, the investors' obligations of which are conditioned upon the execution and delivery of this Agreement, the Investors and the Company wish to amend and restate the Prior Agreement in its entirety as set forth below so that this Agreement shall govern the rights of the Investors to cause the Company to register shares of the Company's Common Stock ("Common Stock") issuable to the Investors and certain other matters as set forth herein; and

WHEREAS, the Investors who were signatories to the Prior Agreement consent to the addition as parties to this Agreement the Investors who purchase the Company's Series G Preferred Stock.

NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. Registration Rights. The Company covenants and agrees as follows:

1.1 Definitions. For purposes of this Agreement:

(a) The term "Act" means the Securities Act of 1933, as amended.

(b) The term "Affiliate" or "Affiliated Entity" means (i) any pooled investment entity for which the Investor or Holder, as the case may be, has investment and disposition discretion over the assets of the entity, or (ii) any other person or entity controlling,

under common control with or controlled by an Investor or Holder, as the case may be; for purposes of this definition, “control” means direct or indirect beneficial ownership of more than fifty percent (50%) of the voting or income interest in the relevant business entity.

(c) “Equity Securities” shall mean (i) any Common Stock, Preferred Stock or other security of the Company, (ii) any security convertible, with or without consideration, into any Common Stock, Preferred Stock or other security (including any option to purchase such a convertible security), (iii) any security carrying any warrant or right to subscribe to or purchase any Common Stock, Preferred Stock or other security or (iv) any such warrant or right.

(d) The term “Form S-3” means such form under the Act as in effect on the date hereof or any registration form under the Act subsequently adopted by the SEC which permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the SEC.

(e) The term “Holder” means any person owning or having the right to acquire Registrable Securities or any assignee thereof in accordance with Section 1.13 hereof.

(f) The term “1934 Act” shall mean the Securities Exchange Act of 1934, as amended.

(g) The term “Preferred Stock” means the Company’s Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series F Preferred Stock and Series G Preferred Stock.

(h) The term “register,” “registered,” and “registration” refer to a registration effected by preparing and filing a registration statement or similar document in compliance with the Act, and the declaration or ordering of effectiveness of such registration statement or document.

(i) The term “Registrable Securities” means (i) the Common Stock issued or issuable upon conversion of the Preferred Stock, (ii) any Common Stock otherwise purchased by the Investors, and (iii) any Common Stock issued as (or issuable upon the conversion or exercise of any warrant, right or other security which is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of the Preferred Stock or Common Stock, excluding in all cases, however, (A) any Registrable Securities sold in a transaction in which the registration rights contemplated by this Agreement are not assigned, (B) any securities sold by a person to the public pursuant to a registration statement or pursuant to Rule 144 adopted by the SEC under the Act, and (C) any accrued but unpaid dividends payable in shares of Common Stock on conversion of the Preferred Stock.

(j) The number of shares of “Registrable Securities then outstanding” shall be determined by the number of shares of Common Stock outstanding which are, and the number of shares of Common Stock issuable pursuant to then exercisable or convertible securities which are, Registrable Securities.

(k) The term “SEC” shall mean the Securities and Exchange Commission.

(l) "Special Registration Statement" shall mean a registration statement relating to any employee benefit plan or with respect to any corporate reorganization or other transaction under Rule 145 of the Securities Act.

1.2 Request for Registration

(a) If the Company shall receive at any time after one hundred eighty (180) days after the effective date of the first registration statement for a public offering of securities of the Company (other than Special Registration Statements), a written request from the Holders of at least forty percent (40%) of the Registrable Securities then outstanding that the Company file a registration statement under the Act covering the registration of Registrable Securities, the anticipated aggregate offering price, net of underwriting discounts and commissions, of which would exceed \$7,500,000, then the Company shall:

(i) within ten (10) days after the receipt thereof, give written notice of such request to all Holders; and

(ii) effect as soon as practicable, and in any event within sixty (60) days after the receipt of such request, the registration under the Act of all Registrable Securities which the Holders request to be registered, subject to the limitations of subsection 1.2(b), within thirty (30) days after the mailing of such notice by the Company in accordance with Section 3.6.

(b) If the Holders initiating the registration request hereunder ("Initiating Holders") intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to subsection 1.2(a) and the Company shall include such information in the written notice referred to in subsection 1.2(a). The underwriter will be selected by the Company. In such event, the right of any Holder to include its Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting (unless otherwise mutually agreed by a majority in interest of the Initiating Holders, such Holder, and the Company) to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company as provided in subsection 1.4(e)) enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting. Notwithstanding any other provision of this Section 1.2, if the underwriter advises the Initiating Holders that marketing factors require a limitation of the number of shares to be underwritten, then the Initiating Holders shall so advise all Holders of Registrable Securities which would otherwise be underwritten pursuant hereto, and the number of shares of Registrable Securities that may be included in the underwriting shall be allocated among all Holders thereof, including the Initiating Holders, in proportion (as nearly as practicable) to the amount of Registrable Securities of the Company owned by each Holder; provided, however, that the number of shares of Registrable Securities to be included in such underwriting shall not be reduced unless all other securities are first entirely excluded from the underwriting.

(c) Notwithstanding the foregoing, if the Company shall furnish to Holders requesting a registration statement pursuant to this Section 1.2, a certificate signed by

the President or Chief Executive Officer of the Company stating that in the good faith judgment of the Board of Directors of the Company, it would be seriously detrimental to the Company and its shareholders for such registration statement to be filed and it is therefore essential to defer the filing of such registration statement, the Company shall have the right to defer taking action with respect to such filing for a period of not more than one hundred twenty (120) days after receipt of the request of the Initiating Holders; provided, however, that the Company may not utilize this right more than once in any twelve-month period.

(d) In addition, the Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to this Section 1.2:

(i) After the Company has effected two registrations pursuant to this Section 1.2 and such registrations have been declared or ordered effective;

(ii) During the period starting with the date of filing of, and ending on a date one hundred eighty (180) days after the effective date of, a registration subject to Section 1.3 hereof; provided that the Company is actively employing in good faith all reasonable efforts to cause such registration statement to become effective; or

(iii) If the Initiating Holders propose to dispose of shares of Registrable Securities that may be immediately registered on Form S-3 pursuant to a request made pursuant to Section 1.12 below.

1.3 Company Registration. The Company shall notify all Holders of Registrable Securities in writing at least fifteen days prior to the filing of any registration statement under the Act for purposes of a public offering of securities of the Company (including, but not limited to, registration statements relating to secondary offerings of securities of the Company, but excluding Special Registration Statements) and will afford each such Holder an opportunity to include in such registration statement all or part of such Registrable Securities held by such Holder. Each Holder desiring to include in any such registration statement all or any part of the Registrable Securities held by it shall, within fifteen (15) days after the above-described notice from the Company, so notify the Company in writing. Such notice shall state the intended method of disposition of the Registrable Securities by such Holder. If a Holder decides not to include all of its Registrable Securities in any registration statement thereafter filed by the Company, such Holder shall nevertheless continue to have the right to include any Registrable Securities in any subsequent registration statement or registration statements as may be filed by the Company with respect to offerings of its securities, all upon the terms and conditions set forth herein.

1.4 Obligations of the Company. Whenever required under this Section 1 to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably practicable:

(a) Prepare and file with the SEC a registration statement with respect to such Registrable Securities and use reasonable efforts to cause such registration statement to become effective, and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for a period of up to one

hundred twenty (120) days or until the distribution contemplated in the Registration Statement has been completed; provided, however, that (i) such 120-day period shall be extended for a period of time equal to the period the Holder refrains from selling any securities included in such registration at the request of an underwriter of Common Stock (or other securities) of the Company; and (ii) in the case of any registration of Registrable Securities on Form S-3 which are intended to be offered on a continuous or delayed basis, such 120-day period shall be extended, if necessary, to keep the registration statement effective until all such Registrable Securities are sold, provided that Rule 415, or any successor rule under the Act, permits an offering on a continuous or delayed basis, and provided further that applicable rules under the Act governing the obligation to file a post-effective amendment permit, in lieu of filing a post-effective amendment which (I) includes any prospectus required by Section 10(a)(3) of the Act or (II) reflects facts or events representing a material or fundamental change in the information set forth in the registration statement, the incorporation by reference of information required to be included in (I) and (II) above to be contained in periodic reports filed pursuant to Section 13 or 15(d) of the 1934 Act in the registration statement.

(b) Prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Act with respect to the disposition of all securities covered by such registration statement.

(c) Furnish to the Holders such numbers of copies of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Act, and such other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them.

(d) Use reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or Blue Sky laws of such jurisdictions as shall be reasonably requested by the Holders; provided that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions.

(e) In the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter of such offering. Each Holder participating in such underwriting shall also enter into and perform its obligations under such an agreement.

(f) Notify each Holder of Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing.

(g) Cause all such Registrable Securities registered pursuant hereunder to be listed on each securities exchange on which similar securities issued by the Company are then listed.

(h) Provide a transfer agent and registrar for all Registrable Securities registered pursuant hereunder and a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration.

1.5 Furnish Information.

(a) It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 1 with respect to the Registrable Securities of any selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as shall be required to effect the registration of such Holder's Registrable Securities.

(b) The Company shall have no obligation with respect to any registration requested pursuant to Section 1.2 or Section 1.12 if, due to the operation of subsection 1.5(a), the number of shares or the anticipated aggregate offering price of the Registrable Securities to be included in the registration does not equal or exceed the number of shares or the anticipated aggregate offering price required to originally trigger the Company's obligation to initiate such registration as specified in subsection 1.2(a) or subsection 1.12(b)(2), whichever is applicable.

1.6 Expenses of Demand Registration. All reasonable expenses other than underwriting discounts and commissions incurred in connection with registrations, filings or qualifications pursuant to Sections 1.2 and 1.12, including (without limitation) all registration, filing and qualification fees, printers' and accounting fees, fees and disbursements of counsel for the Company and the reasonable fees and disbursements of one counsel for the selling Holders shall be borne by the Company; provided, however, that the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Section 1.2 if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered (in which case all participating holders shall bear such expenses), unless the Holders of a majority of the Registrable Securities agree to forfeit their right to one demand registration pursuant to Section 1.2.

1.7 Expenses of Company Registration. The Company shall bear and pay all reasonable expenses incurred in connection with any registration, filing or qualification of Registrable Securities with respect to the registrations pursuant to Section 1.3 for each Holder (which right may be assigned as provided in Section 1.13), including (without limitation) all registration, filing, and qualification fees, printers and accounting fees relating or apportionable thereto and the reasonable fees and disbursements of one counsel for the selling Holders selected by them, but excluding underwriting discounts and commissions relating to Registrable Securities.

1.8 Underwriting Requirements. In connection with any offering involving an underwriting of shares of the Company's capital stock, the Company shall not be required under Section 1.3 to include any of the Holders' securities in such underwriting unless they accept the terms of the underwriting as agreed upon between the Company and the underwriters selected by the Company, and then only in such quantity as the underwriters and the Company determine in their sole discretion will not jeopardize the success of the offering by the Company. If the total amount of securities, including Registrable Securities, requested by shareholders to be included

in such offering exceeds the amount of securities sold other than by the Company that the underwriters and the Company determine in their sole discretion is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities, which the underwriters and the Company determine in their sole discretion will not jeopardize the success of the offering (the securities so included to be apportioned pro rata among the selling shareholders according to the total amount of securities entitled to be included therein owned by each selling shareholder or in such other proportions as shall mutually be agreed to by such selling shareholders) but in no event shall (i) the amount of securities of the selling Holders included in the offering be reduced below twenty five percent (25%) of the total amount of securities included in such offering, unless such offering is the initial public offering of the Company's securities in which case the selling shareholders may be excluded if the underwriters make the determination described above. For purposes of the preceding parenthetical concerning apportionment, for any selling shareholder which is a holder of Registrable Securities and which is a partnership or corporation, the partners, retired partners and shareholders of such holder, or the estates and family members of any such partners and retired partners and any trusts for the benefit of any of the foregoing persons shall be deemed to be a single "selling shareholder," and any pro-rata reduction with respect to such "selling shareholder" shall be based upon the aggregate amount of shares carrying registration rights owned by all entities and individuals included in such "selling shareholder," as defined in this sentence.

1.9 Delay of Registration. No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any such registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 1.

1.10 Indemnification. In the event any Registrable Securities are included in a registration statement under this Section 1:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each Holder, any underwriter (as defined in the Act) for such Holder and each person, if any, who controls such Holder or underwriter within the meaning of the Act or the 1934 Act, against any losses, claims, damages, or liabilities (joint or several) to which they may become subject under the Act, the 1934 Act or other federal or state law, insofar as such losses, claims, damages, or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively a "Violation"): (i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto, (ii) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation by the Company of the Act, the 1934 Act, any state securities law or any rule or regulation promulgated under the Act, the 1934 Act or any state securities law; and the Company will pay to each such Holder, underwriter or controlling person, as incurred, any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability, or action; provided, however, that the indemnity agreement contained in this subsection 1.10(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability, or action if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld), nor

shall the Company be liable in any such case for any such loss, claim, damage, liability, or action to the extent that it arises out of or is based upon a Violation which occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by any such Holder, underwriter or controlling person.

(b) To the extent permitted by law, each selling Holder will indemnify and hold harmless the Company, each of its directors, each of its officers who has signed the registration statement, each person, if any, who controls the Company within the meaning of the Act, any underwriter, any other Holder selling securities in such registration statement and any controlling person of any such underwriter or other Holder, against any losses, claims, damages, or liabilities (joint or several) to which any of the foregoing persons may become subject, under the Act, the 1934 Act or other federal or state law, insofar as such losses, claims, damages, or liabilities (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by such Holder expressly for use in connection with such registration; and each such Holder will pay, as incurred, any legal or other expenses reasonably incurred by any person intended to be indemnified pursuant to this subsection 1.10(b), in connection with investigating or defending any such loss, claim, damage, liability, or action; provided, however, that the indemnity agreement contained in this subsection 1.10(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld; provided, that, in no event shall any indemnity under this subsection 1.10(b) exceed the gross proceeds from the offering received by such Holder. Notwithstanding the foregoing, such selling Holder's obligations hereunder shall be limited to an amount equal to the proceeds to such selling holder from the securities sold in any such registration.

(c) Promptly after receipt by an indemnified party under this Section 1.10 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 1.10, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party (together with all other indemnified parties which may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action, if prejudicial to its ability to defend such action, shall relieve such indemnifying party of any liability to the indemnified party under this Section 1.10, but the omission so to deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 1.10.

(d) If the indemnification provided for in this Section 1.10 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss,

liability, claim, damage, or expense referred to therein, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage, or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the statements or omissions that resulted in such loss, liability, claim, damage, or expense as well as any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

(f) The obligations of the Company and Holders under this Section 1.10 shall survive the completion of any offering of Registrable Securities in a registration statement under this Section 1, and otherwise.

1.11 Reports Under Securities Exchange Act of 1934. With a view to making available to the Holders the benefits of Rule 144 promulgated under the Act and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration or pursuant to a registration on Form S-3, the Company agrees to use reasonable efforts to:

(a) make and keep public information available, as those terms are understood and defined in SEC Rule 144, at all times after ninety (90) days after the effective date of the first registration statement filed by the Company for the offering of its securities to the general public;

(b) file with the SEC in a timely manner all reports and other documents required of the Company under the Act and the 1934 Act; and

(c) furnish to any Holder, so long as the Holder owns any Registrable Securities, forthwith upon request (i) a written statement by the Company that it has complied with the reporting requirements of SEC Rule 144 (at any time after ninety (90) days after the effective date of the first registration statement filed by the Company), the Act and the 1934 Act (at any time after it has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form S-3 (at any time after it so qualifies), (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company, and (iii) such other information as may be reasonably requested in availing any Holder of any rule or regulation of the SEC which permits the selling of any such securities without registration or pursuant to such form.

1.12 Form S-3 Registration. In case the Company shall receive from any Holder or Holders a written request or requests that the Company effect a registration on Form S-3 (or any successor to Form S-3) or any similar short-form registration statement and any related qualification or compliance with respect to all or a part of the Registrable Securities owned by such Holder or Holders, the Company will:

(a) promptly give written notice of the proposed registration, and any related qualification or compliance, to all other Holders; and

(b) as soon as practicable, effect such registration and all such qualifications and compliances as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Holder's or Holders' Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holder or Holders joining in such request as are specified in a written request given within 15 days after receipt of such written notice from the Company; provided, however, that the Company shall not be obligated to effect any such registration, qualification or compliance, pursuant to this Section 1.12: (1) if Form S-3 is not available for such offering by the Holders; (2) if the Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities and such other securities (if any) at an aggregate price to the public (net of any underwriters' discounts or commissions) of less than \$1,000,000; (3) if the Company shall furnish to the Holders a certificate signed by the President or Chief Executive Officer of the Company stating that in the good faith judgment of the Company's Board of Directors it would be seriously detrimental to the Company and its shareholders for such Form S-3 Registration to be effected at such time, in which event the Company shall have the right to defer the filing of the Form S-3 registration statement for a period of not more than ninety (90) days after receipt of the request of the Holder or Holders under this Section 1.12; provided, however, that the Company shall not utilize this right more than once in any twelve month period; (4) if the Company has already effected two registrations on Form S-3 for the Holders pursuant to this Section 1.12; or (5) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance.

(c) Subject to the foregoing, the Company shall file a registration statement covering the Registrable Securities and other securities so requested to be registered as soon as practicable after receipt of the request or requests of the Holders. All reasonable expenses incurred in connection with a registration requested pursuant to Section 1.12, including (without limitation) all registration, filing, qualification, printer's and accounting fees and the reasonable fees and disbursements of one counsel for the selling Holder or Holders and counsel for the Company, shall be borne by the Company. Registrations effected pursuant to this Section 1.12 shall not be counted as demands for registration or registrations effected pursuant to Sections 1.2 or 1.3, respectively.

1.13 Assignment of Registration Rights. The rights to cause the Company to register Registrable Securities pursuant to this Section 1 may be assigned (but only with all related obligations) by a Holder to (i) any partner (whether limited or general) or retired partner of a partnership, (ii) any Affiliate of Holder if both Holder and the transferee are entities, or (iii) a transferee or assignee of such securities who, after such assignment or transfer, holds at least

50,000 shares of Registrable Securities (subject to appropriate adjustment for stock splits, stock dividends, combinations and other recapitalizations), provided: (a) the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee or assignee and the securities with respect to which such registration rights are being assigned; (b) such transferee or assignee agrees in writing to be bound by and subject to the terms and conditions of this Agreement, including without limitation the provisions of Section 1.15 below; and (c) such assignment shall be effective only if immediately following such transfer the further disposition of such securities by the transferee or assignee is restricted under the Act. For the purposes of determining the number of shares of Registrable Securities held by a transferee or assignee, the holdings of transferees and assignees of a partnership who are partners or retired partners of such partnership (including spouses and ancestors, lineal descendants and siblings of such partners or spouses who acquire Registrable Securities by gift, will or intestate succession) shall be aggregated together and with the partnership; provided that all assignees and transferees who would not qualify individually for assignment of registration rights shall have a single attorney-in-fact for the purpose of exercising any rights, receiving notices or taking any action under this Section 1.

1.14 Limitations on Subsequent Registration Rights. From and after the date of this Agreement, the Company shall not, without the prior written consent of the Holders of a majority of the outstanding Registrable Securities, enter into any agreement with any holder or prospective holder of any securities of the Company which would allow such holder or prospective holder (a) to include such securities in any registration filed under Section 1.2 hereof, unless under the terms of such agreement, such holder or prospective holder may include such securities in any such registration only to the extent that the inclusion of its securities will not reduce the amount of the Registrable Securities of the Holders which is included or (b) to make a demand registration which could result in such registration statement being declared effective prior to the earlier of either of the dates set forth in subsection 1.2(a) or within one hundred twenty (120) days after the effective date of any registration effected pursuant to Section 1.2.

1.15 "Market Stand-Off" Agreement. Each Investor hereby agrees that, during the period of duration specified by the Company or an underwriter of Common Stock or other securities of the Company, following the effective date of a registration statement of the Company filed under the Act, it shall not, to the extent requested by the Company or such underwriter, directly or indirectly sell, offer to sell, contract to sell (including, without limitation, any short sale), grant any option to purchase or otherwise transfer or dispose of (other than to donees who agree to be similarly bound) any securities of the Company held by it at any time during such period except Common Stock included in such registration; provided, however, that such market stand-off time period shall not exceed one hundred eighty (180) days.

In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to the Registrable Securities of each Investor (and the shares or securities of every other person subject to the foregoing restriction) until the end of such period.

Notwithstanding the foregoing, the obligations described in this Section 1.15 shall not apply to a registration relating solely to a Special Registration Statement.

1.16 Termination of Registration Rights.

No Holder shall be entitled to exercise any right provided for in this Section 1 after (i) three (3) years following the consummation of the sale of securities pursuant to a registration statement filed by the Company under the Act in connection with the initial firm commitment underwritten offering of its securities to the general public, or (ii) with respect to a Holder of Registrable Securities, the date upon which such Holder's Registrable Securities may be sold pursuant to Rule 144(b)(1) promulgated under the Act.

2. Covenants of the Company.

2.1 Delivery of Financial Statements. The Company shall (A) deliver to each Investor who holds, together with its Affiliates, at least 150,000 shares of Registrable Securities (as adjusted for stock splits and combinations) issued or issuable upon conversion of the Series E Preferred Stock, the Series F Preferred Stock and/or the Series G Preferred Stock, or any combination thereof (a "Major Senior Preferred Investor"), and (B) upon the request of any other Investor who holds at least 250,000 shares of Registrable Securities (as adjusted for stock splits and combinations) (a "Key Investor" and, together with the Major Senior Preferred Investors, the "Major Investors"), deliver to each such Major Investor, the following:

(a) within ninety (90) days after the later of the Company's receipt of such request, if applicable, and the end of any fiscal year of the Company, an income statement for such fiscal year, a balance sheet of the Company and statement of shareholder's equity as of the end of such year, and a schedule as to the sources and applications of funds for such year, such year-end financial reports to be in reasonable detail, prepared in accordance with generally accepted accounting principles ("GAAP"), and audited and certified by independent public accountants of regionally recognized reputation selected by the Company.

(b) As soon as practicable after the end of the first, second and third quarterly accounting periods in each fiscal year of the Company, and in any event within forty-five (45) days thereafter, a balance sheet of the Company as of the end of each such quarterly period, and a statement of income and a statement of cash flows of the Company for such period and for the current fiscal year to date.

(c) within the later of sixty (60) days after the Company's receipt of such request, if applicable, and sixty (60) days prior to the end of the fiscal year, a budget and business plan for the next fiscal year, prepared on a monthly basis, including balance sheets and sources and applications of funds statements for such months and, as soon as prepared, any other budgets or revised budgets prepared by the Company and approved by its Board of Directors;

(d) with respect to the financial statements called for in Section 2.1(b), an instrument executed by the Chief Financial Officer, Chief Executive Officer or President of the Company and certifying that such financials were prepared in accordance with GAAP consistently applied with prior practice for earlier periods (with the exception of footnotes that may be required by GAAP) and fairly present the financial condition of the Company and its results of operation for the period specified, subject to year-end audit adjustment; and

(e) such other information relating to the financial condition, business, prospects or corporate affairs of the Company as such requesting party may from time to time reasonably request, provided, however, that the Company shall not be obligated under this subsection (e) or any other subsection of Section 2.1 to provide information which it deems in good faith to be a trade secret or similar confidential information.

2.2 Inspection. The Company shall permit each Major Investor, at such Major Investor's expense, to visit and inspect the Company's properties, to examine its books of account and records and to discuss the Company's affairs, finances and accounts with its officers, all at such reasonable times as may be requested by such Major Investor; provided, however, that the Company shall not be obligated pursuant to this Section 2.2 to provide access to any information which it reasonably considers to be a trade secret or similar confidential information.

2.3 Confidentiality. Each Major Investor agrees to use, and to use its best efforts to insure that its authorized representatives use, the same degree of care as such Investor uses to protect its own confidential information to keep confidential any information furnished to it which the Company identifies as being confidential or proprietary (so long as such information is not in the public domain), except that such Investor may disclose such proprietary or confidential information to any partner, subsidiary or parent of such Investor for the purpose of evaluating its investment in the Company as long as such partner, subsidiary or parent is advised of the confidentiality provisions of this Section 2.3.

2.4 Termination of Information and Inspection Covenants. The covenants set forth in Sections 2.1 and 2.2 shall terminate as to Major Investors and be of no further force or effect upon the earliest to occur of (i) the consummation of the sale of securities pursuant to a registration statement filed by the Company under the Act in connection with the firm commitment underwritten offering of its securities to the general public that results in the Preferred Stock being converted into Common Stock, (ii) the date the Company first becomes subject to the periodic reporting requirements of Sections 12(g) or 15(d) of the 1934 Act, or (iii) (a) the sale, lease or other disposition of all or substantially all of the assets of the Company or (b) an acquisition of the Company by another corporation or entity by consolidation, merger or other reorganization in which the holders of the Company's outstanding voting stock immediately prior to such transaction own, immediately after such transaction, securities representing less than fifty percent (50%) of the voting power of the corporation or other entity surviving such transaction, provided that this clause (iii) shall not apply to a merger effected exclusively for the purpose of changing the domicile of the Company (a "Change of Control").

2.5 Reservation of Common Stock. The Company will at all times reserve and keep available, solely for issuance and delivery upon the conversion of the Preferred Stock, all Common Stock issuable from time to time upon such conversion.

2.6 Right of First Offer. Subject to the terms and conditions specified in this Section 2.6, the Company hereby grants to each Major Investor a right of first offer with respect to future sales by the Company of its Equity Securities. For purposes of this Section 2.6, an Investor includes any Affiliates or general or limited partners of such Investor if so designated by such Investor in writing. A Major Investor shall be entitled to apportion the right of first offer

hereby granted it among itself and its partners and Affiliates in such proportions as it deems appropriate.

(a) If the Company proposes to issue any Equity Securities, it shall give each Major Investor written notice of its intention, describing the Equity Securities, the price and the material terms and conditions upon which the Company proposes to issue the same. Each Major Investor shall have twenty (20) calendar days from the giving of such notice to agree to purchase its *pro rata* share of the Equity Securities for the price and upon the terms and conditions specified in the notice by giving written notice to the Company and stating therein the quantity of Equity Securities to be purchased. Notwithstanding the foregoing, the Company shall not be required to offer or sell such Equity Securities to any Major Investor who would cause the Company to be in violation of applicable federal securities laws by virtue of such offer or sale. Each Investor's *pro rata* share of such Equity Securities is equal to the ratio of (a) the number of shares of the Company's Common Stock (including all shares of Common Stock issued or issuable upon conversion of the options, warrants or Preferred Stock) which such Investor is deemed to be a holder immediately prior to the issuance of such Equity Securities to (b) the total number of shares of the Company's outstanding Common Stock (including all shares of Common Stock issued or issuable upon conversion of the options, warrants or Preferred Stock) immediately prior to the issuance of the Equity Securities.

(b) If not all of the Major Investors elect to purchase their *pro rata* share of the Equity Securities, then the Company shall promptly notify in writing the Major Investors who do so elect and shall offer such Major Investors the right to acquire such unsubscribed shares. The Major Investors shall have five (5) days after receipt of such notice to notify the Company of its election to purchase all or a portion thereof of the unsubscribed shares. If the Major Investors fail to exercise in full the rights of first refusal, the Company shall have ninety (90) days thereafter to sell the Equity Securities in respect of which the Major Investor's rights were not exercised, at a price and upon general terms and conditions materially no more favorable to the purchasers thereof than specified in the Company's notice to the Major Investors pursuant to Section 2.6(a) hereof. If the Company has not sold such Equity Securities within ninety (90) days of the notice provided pursuant to Section 2.6(a), the Company shall not thereafter issue or sell any Equity Securities, without first offering such securities to the Major Investors in the manner provided above.

(c) The rights of first refusal established by this Section 2.6 shall not apply to, and shall terminate upon the earlier of (i) effective date of the registration statement pertaining to the Company's initial public offering or (ii) a Change in Control. The rights of first refusal established by this Section 2.6 may be amended, or any provision waived, with the written consent of Major Investors holding a majority of the Registrable Securities held by all Major Investors. The rights of first refusal of each Major Investor under this Section 2.6 may be transferred to the same parties, subject to the same restrictions as any transfer of registration rights pursuant to Section 1.13.

(d) The rights of first refusal established by this Section 2.6 shall have no application to any of the following Equity Securities:

(i) shares of Common Stock (and/or options, warrants or other

Common Stock purchase rights issued pursuant to such options, warrants or other rights) issued or to be issued after the date hereof to employees, officers or directors of, or consultants or advisors to, the Company or any subsidiary, pursuant to stock purchase or stock option plans or other arrangements that are approved by the Board of Directors;

(ii) stock issued pursuant to (A) any options, warrants, rights or other agreements outstanding as of the date of this Agreement, and (B) stock issued pursuant to any options, warrants, rights or agreements granted after the date of this Agreement, provided that the rights of first refusal established by this Section 2.6 applied with respect to the initial sale or grant by the Company of such subsequent rights or agreements;

(iii) the issuance of securities pursuant to a registration statement filed under the Act;

(iv) the issuance of securities pursuant to the conversion of the Company's Preferred Stock;

(v) the issuance of securities for consideration other than cash in connection with a bona fide business acquisition of or by the Company, whether by merger, consolidation, sale of assets, sale or exchange of stock or otherwise;

(vi) the issuance of securities pursuant to any equipment leasing or loan arrangement, or debt financing from a bank or similar financial or lending institution;

(vii) shares of Common Stock issued in connection with any stock split, stock dividend or recapitalization by the Company;

(viii) the issuance of securities in connection with strategic transactions involving the Company and other entities including (a) joint ventures, manufacturing, marketing or distribution arrangements or (b) technology transfer or development arrangements; and

(ix) the issuance of shares of Series G Preferred Stock pursuant to the Purchase Agreement (as the same may be amended from time to time).

2.7 Positive Covenants. So long as not less than ten percent (10%) of the Registrable Securities is still outstanding, the Company agrees as follows:

(a) The Company will keep its properties and those of its subsidiaries in good repair, working order, and condition, reasonable wear and tear excepted, and from time to time make all needful and proper repairs, renewals, replacements, additions, and improvements thereto; and the Company and its subsidiaries will at all times comply with the provisions of all material leases to which any of them is a party or under which any of them occupies property so as to prevent any loss or forfeiture thereof or thereunder;

(b) The Company will maintain true books and records of account in which full and correct entries will be made of all its business transactions pursuant to a system of accounting established and administered in accordance with generally accepted accounting

principles consistently applied, and will set aside on its books all such proper accruals and reserves as shall be required under generally accepted accounting principles consistently applied.

(c) The Company shall maintain in full force and effect its corporate existence, rights, and franchises and all licenses and other rights to use patents, processes, licenses, trademarks, trade names, or copyrights owned or possessed by it or any subsidiary and deemed by the Company to be necessary to the conduct of its business.

(d) The Company's Articles of Incorporation and Bylaws shall provide (a) for elimination of the liability of director to the maximum extent permitted by law and (b) for indemnification of directors for acts on behalf of the Company to the maximum extent permitted by law. The Company will indemnify members of the Board of Directors to the broadest extent permitted by applicable law.

2.8 Termination of Covenants. The covenants set forth in Section 2.7 shall terminate and be of no further force or effect upon the consummation of the sale of securities pursuant to a registration statement filed by the Company under the Act in connection with the firm commitment underwritten offering of its securities to the general public.

2.9 Indemnification and Advancement.

(a) The Company hereby agrees to hold harmless and indemnify the Investors, the Investors' direct and indirect subsidiaries, Affiliated Entities and corporations, and each of their partners, officers, directors, employees, stockholders, agents, and representatives (collectively, referred to as the "Investor Indemnitees") against any and all expenses (including attorneys' fees), damages, judgments, fines, amounts paid in settlements, or any other amounts that an Investor Indemnitee incurs as a result of any claim or claims made against it in connection with any threatened, pending or completed action, suit, arbitration, investigation or other proceeding arising out of, or relating to the Investors' actions in connection with any transaction undertaken in connection with this Agreement; provided, however, that no Investor Indemnitee shall be entitled to be held harmless or indemnified by the Company for acts, conduct or omissions as to which there has been a final adjudication that such Investor Indemnitee engaged in intentional misconduct or in knowing and culpable violation of the law.

(b) The Company shall reimburse, promptly following request therefor, all reasonable expenses incurred by an Investor Indemnitee in connection with any threatened, pending or completed action, suit, arbitration, investigation or other proceeding arising out of, or relating to, the Investors' actions in connection with any transaction undertaken in connection with this Agreement, provided, however, that no Investor Indemnitee shall be entitled to reimbursement in connection with acts, conduct or omissions as to which there has been a final adjudication that such Investor Indemnitee engaged in intentional misconduct, in knowing and culpable violation of the law.

(c) The Company's indemnity obligations set forth above are subject to the Investors providing prompt written notice of a claim. The Company shall control the defense of any such action and, at its discretion, may enter into a stipulation of discontinuance or settlement thereof; provided that the Company may not discontinue any action or settle any claim

in a manner that does not unconditionally release the Investors without the Investors' prior written approval. The Investors shall, at the Company's expense and reasonable request, cooperate with the Company in any such defense and shall make available to the Company at the Company's expense all those persons, documents (excluding attorney/client or attorney work product materials) reasonably required by the Company in the defense of any such action. The Investors may, at their expense, assist in such defense.

(d) The Company's liability to any Investor Indemnitee under this section shall be limited to the amount received by the Company from such Investor Indemnitee, and the Company's aggregate cumulative liability under this Section shall be limited to the amount received by the Company pursuant to the transaction contemplated by this Agreement.

3. Miscellaneous.

3.1 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors, and administrators of the parties hereto and shall inure to the benefit of and be enforceable by each person who shall be a holder of Registrable Securities from time to time; *provided, however*, that prior to the receipt by the Company of adequate written notice of the transfer of any Registrable Securities specifying the full name and address of the transferee, the Company may deem and treat the person listed as the holder of such shares in its records as the absolute owner and holder of such shares for all purposes, including the payment of dividends or any redemption price. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

3.2 Survival. The representations, warranties, covenants, and agreements made herein shall survive any investigation made by any Holder and the closing of the transactions contemplated hereby. All statements as to factual matters contained in any certificate or other instrument delivered by or on behalf of the Company pursuant hereto in connection with the transactions contemplated hereby shall be deemed to be representations and warranties by the Company hereunder solely as of the date of such certificate or instrument.

3.3 Governing Law. This Agreement shall be governed by and construed under the laws of the State of California as applied to agreements among California residents entered into and to be performed entirely within California.

3.4 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

3.5 Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

3.6 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (i) upon personal delivery to the party to be notified, (ii)

when sent by confirmed telex or facsimile if sent during normal business hours of the recipient, if not, then on the next business day; (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (iv) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent (i) if to the Company, at the address as set forth on the signature page hereof, (ii) if to any other party hereto, at the address for such party as set forth on Schedule A hereto or (iii) at such other address as such party may designate by ten (10) days advance written notice to the other parties hereto.

3.7 Expenses. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

3.8 Amendments and Waivers. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Company and the holders of a majority of the Registrable Securities then outstanding. Any amendment or waiver effected in accordance with this paragraph shall be binding upon each holder of any Registrable Securities then outstanding, each future holder of all such Registrable Securities, and the Company.

3.9 Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

3.10 Aggregation of Stock. All shares of Registrable Securities held or acquired by Affiliated Entities or persons shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

3.11 Delays and Omissions. It is agreed that no delay or omission to exercise any right, power, or remedy accruing to any Holder, upon any breach, default or noncompliance of the Company under this Agreement shall impair any such right, power, or remedy, nor shall it be construed to be a waiver of any such breach, default or noncompliance, or any acquiescence therein, or of any similar breach, default or noncompliance thereafter occurring. It is further agreed that any waiver, permit, consent, or approval of any kind or character on any Holder's part of any breach, default or noncompliance under the Agreement or any waiver on such Holder's part 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, by law, or otherwise afforded to Holders, shall be cumulative and not alternative.

3.12 Entire Agreement. This Agreement (including the Schedules hereto) constitutes the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof.

3.13 Amendment and Restatement of Prior Agreement. This Agreement amends and restates the Prior Agreement and all amendments thereto through the date hereof.

3.14 No Third Party Beneficiaries. The Company and the Investors intend that the benefits of this Agreement shall inure only to the Company and the Investors and not to any third person except as expressly so stated herein.

3.15 Additional Investors. Notwithstanding anything to the contrary contained herein, if the Company shall issue additional shares of its Series G Preferred Stock pursuant to the Purchase Agreement (as the same may be amended from time to time), any purchaser of such shares of Series G Preferred Stock may become a party to this Agreement by executing and delivering an additional counterpart signature page to this Agreement and shall be deemed an "Investor" hereunder.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Fourth Amended and Restated Investors' Rights Agreement to be duly executed and delivered by their proper and duly authorized representatives as of the date first above written.

"COMPANY"

AIRGAIN, INC.

By: /s/ Pertti Visuri
Pertti Visuri, President

1930 Palomar Pointe Way, Suite 107
Carlsbad, CA 92008
Attention: President

"INVESTORS"

[(Execution of this Agreement by the Investors will be pursuant to separate Purchaser Signature Pages or Rights Holder Signature Pages)]

[SIGNATURE PAGE TO FOURTH AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

SCHEDULE A

INVESTORS

Updated as of December 22, 2009

T. Stanton Armour Trust
111 West Monroe Street 16-W
Chicago, IL 60603

Michael K. Armstrong
4623 5th Street
Lubbock, TX 79416

Charles H. Black
525 Alma Real Drive
Pacific Palisades, CA 90272

Matthew Botica
c/o Winston & Strawn
35 West Wacker Drive, Suite 4000
Chicago, IL 60601

Michael L. Bruner
339 Garcia Avenue
Half Moon Bay, CA 94019-1886

The 1997 Trust For Mark C.C. Buckland
Arthur Buckland, Trustee
263 Elm Street
Concord, MA 01742

Eunice Buckland and
Arthur Buckland JTWROS
59 Pondview Drive
Merrimack, NH 03054

Vincent Cainkar TOD Cathy M. Cainkar
6215 West 79th Street, Suite A
Burbank, IL 60459

Louis F. Cainkar, Ltd. Profit Sharing Plan
FBO Vincent Cainkar
6215 West 79th Street, Suite 2A
Burbank, IL 60459

Louis F. Cainkar Ltd. Profit Sharing Plan
f/b/o Vincent M. Cainkar TOD Cathy M. Cainkar
6215 West 79th Street
Burbank, IL 60459

Cap Estate Corp.
Attn: Dennis Nardoni
PO Box 381
Bradley, IL 60915

The William Clayton Jr. Revocable Trust of
June 11, 1981
William Clayton, Jr., Trustee
c/o Clayton Industries
4213 N. Temple City Blvd.
El Monte, CA 91731

The Barbara Cohn Revocable Living Trust
1921 Fox Hills Drive
Los Angeles, CA 90025

Harry Colmery, Trustee
Colmery Family Living Trust
300 Hot Springs Road Nbr. I-175
Montecito, CA 93108

Harry Colmery
300 Hot Springs Road Nbr. I-175
Montecito, CA 93108

Corporate Advice Group
Attn: K.W. Morgan
Woodbourne Hall, PO Box 3162
Road Town, Tortola
British Virgin Islands

Schedule A to Fourth Amended and Restated Investors' Rights Agreement
Dated May 7, 2008

Arthur W. Coviello, Jr.
c/o RSA Security, Inc.
174 Middlesex Turnpike
Bedford, MA 01730

Joseph E. Davis
33436 Carlbeth Dr.
Encino, CA 91436

Ross C. Dickenson
10550 Wilshire Blvd., Unit 705
Los Angeles, CA 90024

Paul J. Duggan
9950 S. Longwood Drive
Chicago, IL 60643

Francis X. Egan
1143 Ash Street
Winnetka, IL 60093

Francis X. Egan IRA, Delaware Charter
Guarantee & Trust Company, Trustee
c/o Terra Nova Trading LLC
100 South Wacker Drive, Suite 1550
Chicago, IL 60606

John W. Egan
c/o Trungale, Egan & Associates
8 S. Michigan Avenue, Suite 2310
Chicago, IL 60603

Peter Egan
550 Ash Street
Winnetka, IL 60093

Lewis M. Eisenberg
c/o Granite Capital International Group L.P.
126 East 56th Street, 25th Floor
New York, NY 10022-3613

James P. Fitzgerald
c/o Legg Mason Wood Walker, Inc.
1321 Plum Tree Lane, Suite 1285
Winnetka, IL 60093

Gen 3 Partners, Inc.
Attn: Haydar Diab
Ten Post Office Square, 9th Floor
Boston, MA 02109

GEN3 Capital I, LP
c/o GEN3 Partners Inc.
Attn: James K. Sims, Managing Director
Ten Post Office Square, 9/F
Boston, MA 02108

Genesis Partners Ltd. 3
Attn: J. Peter Skirkanich
10620 Eton Way
Vero Beach, FL 32963-9437

Gilbreath Family Ltd.
Attn: James O. Gilbreath, Jr.
624 27th Street
Lubbock, TX 79404

James O. Gilbreath, Jr.
624 27th Street
Lubbock, TX 79404

Harris Bank, Trustee of the
Lynne Townsend Sprague Trust Dated
8/28/63 FBO T. Brook Townsend III
Attn: Craig F. Hardwick
111 West Monroe St. – 6W
Chicago, IL 60603

Harris Bank, Trustee of the
Lynne Townsend Sprague Trust Dated
8/28/63 FBO Kenneth M. Townsend
Attn: Craig F. Hardwick
111 West Monroe St. – 6W
Chicago, IL 60603

Harris Bank, Trustee of the
Lynne Townsend Sprague Trust Dated
8/28/63 FBO Shirley Butterworth
Attn: Craig F. Hardwick
111 West Monroe St. – 6W
Chicago, IL 60603

Schedule A to Fourth Amended and Restated Investors' Rights Agreement
Dated May 7, 2008

Roger P. Hickey
c/o Chicago Partners
140 S. Dearborn, Suite 1500
Chicago, IL 60603

John Hui
c/o EM Holdings, Inc.
5 Hutton Center, Suite 830
Santa Ana, CA 92707

Richard W. Jones
442 S. Marengo Ave.
Pasadena, CA 91101

Semyon Kogan
15 Philbrick Road
Newton, MA 02459

Steven Korniczky
c/o Paul Hastings
3579 Valley Centre Drive
San Diego, CA 92130

Francis X. Lilly
8900 Burdette Rd.
Bethesda, MD 20817

William A. Lupien
6323 Dewey Drive
Coeur D'Alene, ID 83814

Marlin Capital Corp.
Attn: Mark Egan, President
737 N. Michigan Avenue, Suite 2200
Chicago, IL 60611-2615

Richard A. McKay
5242 Rosehill Court
Reno, NV 89502-9521

MHJ Holdings Co.
Attn: Michael H. Jordan, President
1357 Prospect Rd.
Pittsburgh, PA 15227-1430

Mark D. Mitchell
8430 Gross Point Rd.
Skokie, IL 60077

Morgan Stanley DW Inc.
Cust. For John Grillos IRA Rollover
Attn: Ronald Mullins
245 Lytton Avenue, Suite 200
Palo Alto, CA 94301

The Murray Family Group L.P.
Attn: R. Michael Murray, Jr.
11 Kent Road
Winnetka, IL 60093

Nickelson Properties Limited Partnership
1701 Highway A-1-A, Suite 218
Vero Beach, FL 32963

Northrup Family Trust
Jack Northrup, Trustee
411 North Bay Front
Balboa Island, CA 92662

Northwater Intellectual Property Fund L.P. 1
c/o Northwater Capital Management Inc.
Bay Wellington Tower, Suite 4700
181 Bay Street
P.O. Box 794
Toronto, Ontario
Canada M5J2T3

Michael D. O'Loughlin
2 S. 002 Country Club Lane
Wheaton, IL 60187

Buford H. Ortale
4410 Gerald Place
Nashville, TN 37205

William Carl Pfluger
2133 Office Park Drive
San Angelo, TX 76904

Schedule A to Fourth Amended and Restated Investors' Rights Agreement
Dated May 7, 2008

Stephen L. Schalk
310 Main Street
Davenport, IA 52801

Ralph E. Simon
11857 Woodhill Ct.
Cupertino, CA 95014

James K. Sims
10680 Eton Way
Vero Beach, FL 32963
(with a copy to Gen3 Partners, Ten Post Office Square,
9th Floor, Boston, MA 02109, Attn: Haydar Diab)

J. Peter Skirkanich
10620 Eton Way
Vero Beach, FL 32963-9437

Charles R. Stuckey, Jr.
121 Woodbine Rd.
Carlisle, MA 01741

Roderick Thompson
c/o Broadgate Growth Investments Ltd.
Attn: Rebecca Dunstan
Grosvenor House
33 Church Street
Hamilton, Bermuda HM12

Arthur M. Toscanini
1414 Barlow Court
Palm Beach Gardens, FL 33410
(with a copy to Gen3 Partners, Ten Post Office Square,
9th Floor, Boston, MA 02109, Attn: Haydar Diab)

Michael Treacy
1184 South Street
Needham, MA 02492

The George R. Tuerk Trust
330 Arden Ave., Suite 200
Glendale, CA 91203

Robert P. Wayman
26220 Moody Road
Los Altos Hills, CA 94022

John P. Williams
1420 Park Place
San Marino, CA 91108

Schedule A to Fourth Amended and Restated Investors' Rights Agreement
Dated May 7, 2008

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED OR HYPOTHECATED UNLESS THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT COVERING SUCH SECURITIES, THE SALE IS MADE IN ACCORDANCE WITH RULE 144 UNDER SUCH ACT, OR THE COMPANY RECEIVES AN OPINION OF COUNSEL FOR THE HOLDER OF THESE SECURITIES REASONABLY SATISFACTORY TO THE COMPANY, STATING THAT SUCH SALE, TRANSFER, ASSIGNMENT OR HYPOTHECATION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SUCH ACT.

**AIRGAIN, INC.
PREFERRED STOCK WARRANT
, 2011**

THIS CERTIFIES THAT, for value received, _____, or its permitted assigns (the "**Holder**"), is entitled to subscribe for and purchase at the Exercise Price (defined below) from AIRGAIN, INC., a California corporation (the "**Company**"), a number of whole shares of Preferred Stock (defined below) equal to the quotient of (i) \$ _____, divided by (ii) the Exercise Price (as defined below).

1. Definitions

As used herein, the following terms, unless the context otherwise requires, shall have the following meanings:

1.1 "Act" shall mean the Securities Act of 1933, as amended, or any successor federal statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time.

1.2 "Commission" shall mean the Securities and Exchange Commission, or any other federal agency at the time administering the Act.

1.3 "Company" shall mean Airgain, Inc., a California corporation, and any corporation which shall succeed to or assume the obligations of Airgain, Inc. under this Warrant.

1.4 "Date of Grant" shall mean _____, 2011.

1.5 "Exercise Date" shall mean the effective date of the delivery of the Notice of Exercise pursuant to Sections 3 and 11 below.

1.6 "Exercise Period" shall mean the period commencing with the consummation of the Next Financing and ending at 5:00 P.M. California time on April 12, 2015.

1.7 "Exercise Price" shall mean One Dollar and Four Cents (\$1.04) per share; provided that if the Note is automatically converted into a new series of the Company's preferred stock in connection with the Next Financing, "**Exercise Price**" shall mean eighty percent (80%) of the average price per share paid for such preferred stock in the Next Financing (without giving

effect to the discounted conversion prices of the Secured Convertible Promissory Notes issued pursuant to the Purchase Agreement).

1.8 “Next Financing” shall mean the sale by the Company for cash of a single series of Preferred Stock, in a single closing or a series of related closings, having an aggregate value of at least \$2,000,000 (excluding the conversion of the Convertible Promissory Notes issued pursuant to the Purchase Agreement).

1.9 “Note” shall mean the Convertible Promissory Note issued on or about the Date of Grant to the initial Holder of this Warrant pursuant to the Purchase Agreement.

1.10 “Preferred Stock” shall mean the Company’s Series G Preferred Stock; provided that if the Note is automatically converted into a new series of the Company’s preferred stock in connection with the Next Financing, “**Preferred Stock**” shall mean such new series of preferred stock issued in the Next Financing.

1.11 “Purchase Agreement” shall mean that certain Note and Warrant Purchase Agreement, dated as of April 12, 2010, as amended, pursuant to which this Warrant was issued.

1.12 “Warrant Shares” shall mean the shares of Preferred Stock issuable upon exercise of this Warrant.

2. Term

The purchase rights represented by this Warrant are exercisable only during the Exercise Period.

3. Exercise of Warrant

3.1 Exercise. This Warrant may be exercised, at the option of the Holder, at any time and from time to time during the Exercise Period, for all or any part of the Warrant Shares (but not as to a fractional share). This Warrant may be exercised by delivering to the Company (a) the payment of the Exercise Price for the number of Warrant Shares being purchased, (b) the original of this Warrant, and (c) a duly completed and signed Notice of Exercise in the form of Exhibit A attached hereto.

3.2 Payment of Exercise Price

(a) The Holder shall pay the Exercise Price to the Company (i) by certified or official bank check, (ii) by wire transfer of immediately available funds, (iii) by cancellation of indebtedness of the Company, (iv) net exercise as provided in Section 3.2(b) below, or (v) by any combination of the foregoing; provided, however, the Holder shall not be deemed to have delivered the Exercise Price until the Company’s actual receipt of the check, evidence of cancellation of indebtedness, surrender of such warrant(s) or funds from the wire transfer.

(b) In lieu of exercising this Warrant pursuant to Section 3.2(a) above, if the fair market value of one share of Preferred Stock is greater than the Exercise Price (at the date of calculation as set forth below), the Holder may elect to receive a number of Warrant Shares

equal to the value of this Warrant (or of any portion thereof remaining unexercised) by surrender of this Warrant at the address of the Company specified pursuant to Section 11 hereof together with the properly endorsed Notice of Exercise and notice of such election, in which event the Company shall issue to the Holder that number of Warrant Shares computed using the following formula:

$$X = \frac{Y(A-B)}{A}$$

Where:

X = the number of Warrant Shares to be issued to the Holder;

Y = the number of Warrant Shares purchasable under this Warrant or, if only a portion of the Warrant is being exercised, the portion of the Warrant being cancelled (at the date of such calculation);

A = the fair market value of one share of the Company's Preferred Stock (at the date of such calculation); and

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 of the Company's Preferred Stock shall be determined by the Board of Directors of the Company, acting in good faith. Notwithstanding the foregoing, in the event the Warrant is exercised in connection with the Company's initial public offering of Common Stock, the fair market value per share of the Preferred Stock shall be based (on an as-converted basis) on the per share offering price to the public of the Company's Common Stock in the initial public offering.

3.3 Delivery of Certificate. In the event of any exercise of the purchase right represented by this Warrant, certificates for the Warrant Shares so purchased shall be delivered to the Holder within thirty (30) days of delivery of the Notice of Exercise and, unless this Warrant has been fully exercised or has expired, a new warrant representing the portion of the Warrant Shares with respect to which this Warrant shall not then have been exercised shall also be issued to the Holder within such thirty (30) day period. Notwithstanding the foregoing, for all purposes including voting rights and distribution rights, the Holder shall be deemed to be the holder of the securities issuable upon exercise of this Warrant, effective as of the date of such exercise.

3.4 No Fractional Shares. No fractional shares shall be issued in connection with any exercise hereunder, but in lieu of such fractional shares the Company shall make a cash payment therefor upon the basis of the fair market value of a Warrant Share as of the Exercise Date, as determined in good faith by the Board of Directors of the Company.

3.5 Company's Representations and Covenants

(a) All Warrant Shares which may be issued upon the exercise of the purchase right represented by this Warrant shall, upon issuance, be duly authorized, validly issued, fully paid and nonassessable, and free of any liens and encumbrances except for restrictions on transfer provided for herein or under applicable federal and state securities laws. During the Exercise Period, the Company shall at all times have authorized, and reserved for the purpose of issuance upon exercise of the purchase right represented by this Warrant, a sufficient number of Warrant Shares to provide for the exercise of the purchase right represented by this Warrant; and

(b) This Warrant has been duly authorized and executed by the Company and is a valid and binding obligation of the Company enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting the enforcement of creditors' rights.

4. Adjustment of Exercise Price and Number of Warrant Shares

The Exercise Price and the number and class of securities issuable upon the exercise of this Warrant shall be subject to adjustment from time to time upon the occurrence of certain events, as follows:

4.1 Adjustment for Reclassification or Reorganization. In case of any reclassification, conversion or change of the outstanding securities of the Company or of any reorganization of the Company, then and in each such case the Holder of this Warrant, upon the exercise hereof at any time after the consummation of such reclassification, change, or reorganization, shall be entitled to receive, in lieu of or in addition to the stock or other securities and property receivable upon the exercise hereof prior to such consummation, the stock or other securities to which such Holder would have been entitled upon such consummation if such Holder had exercised this Warrant immediately prior thereto, all subject to further adjustment as provided in this Section 4; in each such case, the terms of this Section 4 shall be applicable to the shares of stock or other securities and property receivable upon the exercise of this Warrant after such consummation.

4.2 Stock Splits and Reverse Stock Splits. If the Company shall subdivide its outstanding shares of Preferred Stock into a greater number of shares, the Exercise Price in effect immediately prior to such subdivision shall thereby be proportionately reduced and the number of Warrant Shares receivable upon exercise of this Warrant shall thereby be proportionately increased; and, conversely, if the outstanding number of shares of Preferred Stock shall be combined into a smaller number of shares, the Exercise Price in effect immediately prior to such combination shall thereby be proportionately increased and the number of Warrant Shares receivable upon exercise of the Warrant shall be proportionately decreased.

5. Notices of Record Date, Etc.

In the event, during the Exercise Period, of (a) any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution (the "**Distribution**"), (b) any capital reorganization or reclassification of the stated capital of the Company or any consolidation or merger of the Company with any other corporation or corporations (other than a wholly-owned

subsidiary), or the sale or distribution of all or substantially all of the Company's property and assets (the "**Reorganization Event**"), or (c) any proposed filing of a registration statement under the Act in connection with a primary public offering of the Company's Common Stock (the "**Registration Event**"), the Company will mail or cause to be mailed to the Holder a notice specifying (i) the date of any such Distribution stating the amount and character of such Distribution, (ii) the date on which any such Reorganization Event or Registration Event is expected to become effective, and (iii) the time, if any, that is to be fixed as to when the holders of record of the Company's securities shall be entitled to exchange their shares of the Company's securities for securities or other property deliverable upon such Reorganization Event. Such notice shall be mailed at least fifteen (15) days prior to the date therein specified.

6. Compliance with Act; Transferability and Negotiability of Warrant; Disposition of Warrant Shares

6.1 Compliance with Act. The Holder, by acceptance hereof, agrees that this Warrant and the Warrant Shares to be issued upon the exercise hereof are being acquired solely for its own account and not as a nominee for any other party and not with a view toward the resale or distribution thereof and that it will not offer, sell or otherwise dispose of this Warrant or any Warrant Shares to be issued upon the exercise hereof except under circumstances which will not result in a violation of the Act. Upon the exercise of this Warrant, the Holder shall confirm in writing, in a form satisfactory to the Company, that the Warrant Shares so issued are being acquired solely for its own account and not as a nominee for any other party and not with a view toward resale or distribution thereof in violation of the Act. This Warrant and the Warrant Shares to be issued upon the exercise hereof (unless registered under the Act and unless, in the case of the Warrant Shares, such Warrant Shares may thereupon be sold pursuant to Commission Rule 144) shall be imprinted with a legend in substantially the following form:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED OR HYPOTHECATED UNLESS THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT COVERING SUCH SECURITIES, THE SALE IS MADE IN ACCORDANCE WITH RULE 144 UNDER SUCH ACT, OR THE COMPANY RECEIVES AN OPINION OF COUNSEL FOR THE HOLDER OF THESE SECURITIES REASONABLY SATISFACTORY TO THE COMPANY, STATING THAT SUCH SALE, TRANSFER, ASSIGNMENT OR HYPOTHECATION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SUCH ACT.

In addition, this Warrant and the Warrant Shares to be issued upon the exercise hereof shall bear any legends required by the securities laws of any applicable states.

6.2 Transferability and Negotiability of Warrant. This Warrant may not be transferred or assigned in whole or in part without compliance with all applicable federal and

state securities laws by the transferor and the transferee (including the delivery of investment representation letters and legal opinions reasonably satisfactory to the Company, if requested by the Company and the transfer is to a person other than a general partner of the initial Holder). Subject to the provisions of this Warrant with respect to compliance with the Act, title to this Warrant may be transferred by endorsement and delivery in the same manner as a negotiable instrument transferable by endorsement and delivery. The Company shall act promptly to record transfers of this Warrant on its books, but the Company may treat the registered holder of this Warrant as the absolute owner of this Warrant for all purposes, notwithstanding any notice to the contrary.

6.3 Disposition of Warrant Shares. With respect to any offer, sale, transfer or other disposition of any Warrant Shares acquired pursuant to the exercise of this Warrant prior to registration of such Warrant Shares, except for any such offer, sale, transfer or other disposition of Warrant Shares to a partner of the initial Holder, the Holder and each subsequent holder of this Warrant agrees to give written notice to the Company prior thereto, describing briefly the manner thereof, together with a written opinion of legal counsel for such holder, reasonably satisfactory to the Company and its legal counsel, if requested by the Company, to the effect that such offer, sale or other disposition may be effected without registration or qualification (under the Act or any other federal or state securities laws) of such Warrant Shares and indicating whether or not under the Act, certificates for such Warrant Shares to be sold or otherwise disposed of require any restrictive legend as to the applicable restrictions on transferability in order to ensure compliance with the Act. Promptly upon receiving such written notice and reasonably satisfactory opinion, if so requested, the Company, as promptly as practicable, shall notify such holder that such holder may sell or otherwise dispose of such Warrant Shares, all in accordance with the terms of the notice delivered to the Company. If a determination has been made pursuant to this Section 6.3 that the opinion of legal counsel for the holder is not reasonably satisfactory to the Company and its legal counsel, the Company shall so notify the holder promptly after such determination has been made. Notwithstanding the foregoing, such Warrant Shares may be offered, sold or otherwise disposed of in accordance with Rule 144, provided that the Company shall have been furnished with such information as the Company may reasonably request to provide a reasonable assurance that the provisions of Rule 144 have been satisfied. Each certificate representing the Warrant Shares thus transferred (except a transfer pursuant to Rule 144 or an effective registration statement) shall bear a restrictive legend as to the applicable restrictions on transferability in order to ensure compliance with the Act, unless in the aforesaid opinion of legal counsel for the holder, such legend is not required in order to ensure compliance with the Act. The Company may issue stop transfer instructions to its transfer agent in connection with such restrictions.

7. Rights of Shareholders

No Holder shall be entitled to vote or receive dividends or be deemed the holder of Warrant Shares or any other securities of the Company which may at any time be issuable on the exercise of this Warrant for any purpose, nor shall anything contained herein be construed to confer upon the Holder, as such, any of the rights of a shareholder of the Company or any right to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, or to give or withhold consent to any corporate action (whether upon any recapitalization, issuance of stock, reclassification of stock, consolidation, merger, transfer of

assets or otherwise) or to receive notice of meetings, or to receive dividends or subscription rights or otherwise until this Warrant shall have been exercised and the Warrant Shares issuable upon exercise hereof shall have become deliverable, as provided herein.

8. Replacement of Warrants

On 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 amount to the Company or, in the case of mutilation, on surrender and cancellation of this Warrant, the Company at its expense shall execute and deliver, in lieu of this Warrant, a new warrant of like tenor.

9. Exchange of Warrant

Subject to the other provisions of this Warrant, on surrender of this Warrant for exchange, properly endorsed and subject to the provisions of this Warrant with respect to compliance with the Act, the Company at its expense 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 Warrant Shares issuable upon exercise thereof.

10. Termination of Warrant Upon Certain Events

This Warrant shall terminate and no longer be exercisable at upon the earlier to occur of (i) the termination of the Exercise Period; or (ii) a Reorganization Event (as defined in Section 5); provided that the Company shall have provided notice of any such Reorganization Event in accordance with Section 5.

11. Notices

All notices and other communications from the Company to the Holder, or vice versa, when given in accordance with Section 5.5 of the Purchase Agreement, shall be deemed delivered and effective at the times specified therein.

12. Amendment; Waiver

Any provision of this Warrant may be amended or waived at any time upon the written consent of (i) the Company, and (ii) the holders of Warrants issued pursuant to the Purchase Agreement representing a majority of the Warrant Shares then issuable upon exercise of all such Warrants issued pursuant to the Purchase Agreement.

13. Governing Law

This Warrant shall be governed by and construed under the laws of the State of California as applied to agreements among California residents, made and to be performed entirely within the State of California. Any legal proceedings arising from or relating to this Warrant shall be filed exclusively in the courts located in San Diego County, California, and each holder hereof consents to the jurisdiction of any such court and proceedings.

14. Titles and Subtitles; Forms of Pronouns

The titles of the sections and subsections of this Warrant are for convenience only and are not to be considered in construing this Warrant. All pronouns used in this Warrant shall be deemed to include masculine, feminine and neuter forms.

15. Expiration

The right to exercise this Warrant shall expire at 5:00 P.M. California time, on the last day of the Exercise Period.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Preferred Stock Warrant has been executed by the Company as of the date first set forth above.

“Company”

AIRGAIN, INC.,
a California corporation

By: /s/ Charles Myers

Name: Charles Myers

Title: CEO

EXHIBIT A

**NOTICE OF EXERCISE
(To be signed only upon exercise of this Warrant)**

The undersigned, the holder of the attached Airgain, Inc. Preferred Stock Warrant ("*Warrant*"), hereby irrevocably elects to exercise such Warrant and to purchase () of the shares of Preferred Stock purchasable thereunder, for an aggregate Exercise Price of Dollars (\$). The Exercise Price is being paid as follows (check as applicable):

- ___ certified or official bank check in the amount of \$;
- ___ wire transfer in the amount of \$;
- ___ cancellation of indebtedness of the Company in the amount of Dollars (\$); or
- ___ surrender of warrants to purchase stock of the Company valued at \$ (which is the fair market value of such shares of stock for which such warrants are exercisable, as determined pursuant to Section 3.2(b) of the Warrant).

The undersigned confirms that the representations and warranties made in Section 4 of the Note and Warrant Purchase Agreement pursuant to which the Warrant was issued are true and correct as of the date hereof with respect to the undersigned and the Warrant Shares being purchased hereby. The undersigned requests that a certificate(s) for such shares be issued in the name of and delivered to (check one):

- ___ the undersigned; or
- ___ the following: , whose address is: .

Dated: _____

Name of the Holder (must conform precisely to the name specified on the face of the Warrant or Notice of Assignment)

Signature of Authorized Representative of the Holder

Print or Type Name of Authorized Representative

Social Security or Employer Identification Number of the Holder

Address of Holder:

Street

City State ZIP

(____) _____
Tel

(____) _____
Fax

Email

AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT

This **AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT** (this “**Agreement**”) dated as of May 21, 2012 (the “**Effective Date**”) is between **SILICON VALLEY BANK**, a California corporation (“**Bank**”), and **AIRGAIN, INC.**, a California corporation (“**Borrower**”), amends and restates the terms of that certain Loan and Security Agreement, dated as of December 8, 2008, by and between Bank and Borrower (as amended from time to time, the “**Original Agreement**”) and provides the terms on which Bank shall lend to Borrower and Borrower shall repay Bank. The parties agree as follows:

1. ACCOUNTING AND OTHER TERMS

Accounting terms not defined in this Agreement shall be construed following GAAP. Calculations and determinations must be made following GAAP; provided that if at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either Borrower or Bank shall so request, Borrower and Bank shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP; provided, further, that, until so amended, (a) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (b) Borrower shall provide Bank financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP. Capitalized terms not otherwise defined in this Agreement shall have the meanings set forth in Section 13 of this Agreement. All other terms contained in this Agreement, unless otherwise indicated, shall have the meaning provided by the Code to the extent such terms are defined therein.

2. LOAN AND TERMS OF PAYMENT

2.1 Promise to Pay. Borrower hereby unconditionally promises to pay Bank the outstanding principal amount of all Credit Extensions and accrued and unpaid interest thereon together with any fees and Finance Charges as and when due in accordance with this Agreement.

2.1.1 Financing of Accounts(a) Availability.

(i) Subject to the terms of this Agreement and provided that a Streamline Period is not in effect, Borrower may request that Bank finance specific Eligible Accounts. Bank may, in its good faith business discretion, finance such Eligible Accounts by extending credit to Borrower in an amount equal to the result of the Advance Rate multiplied by the face amount of the Eligible Account. Bank may, in its sole discretion, change the percentage of the Advance Rate for a particular Eligible Account on a case by case basis.

(ii) Subject to the terms of this Agreement and provided that a Streamline Period is in effect, Borrower may request that Bank finance Eligible Accounts on an aggregate basis (the “Aggregate Eligible Accounts”). Bank may, in its good faith business discretion, finance Aggregate Eligible Accounts by extending credit to Borrower in an amount

equal to the Aggregate Eligible Accounts Availability Amount. Bank may, in its sole discretion, change the percentage of the Advance Rate for the Aggregate Eligible Accounts on a case by case basis.

(iii) Any extension of credit made pursuant to the terms of subsections (i) or (ii) above shall hereinafter be referred to as an "Advance". When Bank makes an Advance, the Eligible Account or the Aggregate Eligible Accounts each become a separate "Financed Receivable".

(b) Maximum Advances. The aggregate face amount of all Financed Receivables outstanding at any time may not exceed the Facility Amount. In addition and notwithstanding the foregoing, the aggregate amount of Advances outstanding at any time may not exceed Three Million Dollars (\$3,000,000).

(c) Borrowing Procedure. Borrower will deliver an Advance Request and Invoice Transmittal in the form attached hereto as Exhibit C signed by a Responsible Officer for each Advance it requests, accompanied by an accounts receivable aging, with respect to requests for Advances based upon Aggregate Eligible Accounts, or by invoices, with respect to requests for Advances based upon Eligible Accounts. Bank may rely on information set forth in or provided with the Advance Request and Invoice Transmittal.

(d) Credit Quality: Confirmations. Bank may, at its option, conduct a credit check of the Account Debtor for each Account requested by Borrower for financing hereunder to approve any such Account Debtor's credit before agreeing to finance such Account. Bank may also verify directly with the respective Account Debtors the validity, amount and other matters relating to the Accounts (including confirmations of Borrower's representations in Section 5.3 of this Agreement) by means of mail, telephone or otherwise.

(e) Accounts Notification/Collection. Bank may notify any Account Debtor of Bank's security interest in the Borrower's Accounts and verify and/or collect them.

(f) Early Termination. This Agreement may be terminated with respect to Advances prior to the Account Advance Maturity Date as follows: (i) by Borrower, effective three Business Days after written notice of termination is given to Bank; or (ii) by Bank at any time after the occurrence and during the continuation of an Event of Default, with notice, effective immediately. If this Agreement is terminated with respect to Advances (A) by Bank in accordance with clause (ii) in the foregoing sentence, or (B) by Borrower for any reason, Borrower shall pay to Bank a termination fee in an amount equal to One Thousand Five Hundred Dollars (\$1,500) multiplied by the number of Reconciliation Periods remaining prior to the Account Advance Maturity Date (for purposes of this calculation, a partial Reconciliation Period shall be pro-rated accordingly (the "**Early Termination Fee**"). The Early Termination Fee shall not apply if Borrower refinances this facility, or enters into a new facility, with Bank or any of Bank's Affiliates.

(g) Account Advance Maturity Date. All Obligations outstanding hereunder with respect to Advances shall be immediately due and payable in full on the Account Advance Maturity Date.

(h) Suspension of Advances. Borrower's ability to request that Bank finance Eligible Accounts hereunder will terminate if, in Bank's reasonable discretion, there has been a material adverse change in the general affairs, management, results of operation, condition (financial or otherwise) or the prospect of repayment of the Obligations, or there has been any material adverse deviation by Borrower from the most recent business plan of Borrower presented to and accepted by Bank prior to the Effective Date.

(i) End of Streamline Period. If at any time a Streamline Period ceases to be in effect, all outstanding Advances made based on Aggregate Eligible Accounts shall be, together with all Finance Charges accrued thereon, refinanced by new Advances made based on specific Eligible Accounts (in accordance with this Agreement, including, without limitation, Section 2.1.1 hereof). In connection with same, Borrower shall deliver to Bank an Advance Request and Invoice Transmittal in the form attached hereto as Exhibit C containing detailed invoice reporting, signed by a Responsible Officer together with a current accounts receivable aging and a copy of each invoice, and Bank, in its good faith business discretion, may finance same (in accordance with this Agreement, including, without limitation, Section 2.1.1 hereof) and each Eligible Account financed shall thereafter be deemed to be a Financed Receivable for purposes of this Agreement. If, following such determination, the outstanding principal amount of the Obligations with respect to Advances made based upon Aggregate Eligible Accounts exceeds the amount of Advances Bank made based on specific Eligible Accounts, Borrower shall immediately pay to Bank the excess and, in connection with same, hereby irrevocably authorizes Bank to debit any account of Borrower maintained by Borrower with Bank or any of Bank's Affiliates for the amount of such excess.

(j) Beginning of Streamline Period. At any time that a Streamline Period commences, all outstanding Advances made based on specific Eligible Accounts, together with all Finance Charges and Collateral Handling Fees accrued thereon, shall be refinanced with new Advances made based on Aggregate Eligible Accounts (in accordance with this Agreement, including, without limitation, Section 2.1.1 hereof). In connection with such request, Borrower shall deliver to Bank a Borrowing Base Certificate in the form attached hereto as Exhibit D signed by a Responsible Officer showing Borrower's Eligible Accounts, and Bank, in its good faith business discretion, may refinance the outstanding principal amount of such Advances with new Advances made based on Aggregate Eligible Accounts (in accordance with this Agreement, including, without limitation, Section 2.1.1 hereof) and the Aggregate Eligible Accounts financed shall thereafter be deemed to be a Financed Receivable for purposes of this Agreement. If, following such determination, the outstanding principal amount of the Obligations with respect to Advances made based upon Eligible Accounts exceeds the amount of Advances Bank made based on Aggregate Eligible Accounts, Borrower shall immediately pay to Bank the excess and, in connection with same, hereby irrevocably authorizes Bank to debit any account of Borrower maintained by Borrower with Bank or any of Bank's Affiliates for the amount of such excess.

2.2 Collections, Finance Charges, Remittances and Fees. The Obligations shall be subject to the following fees and Finance Charges. Unpaid fees and Finance Charges may, in Bank's discretion, accrue interest at the then highest rate applicable to the Obligations.

2.3 Collections. Collections will be credited to the Financed Receivable [Illegible] such Financed Receivable, but if there is an Event of Default that continues, Bank [Illegible] Collections to the Obligations in any order it chooses. If Bank receives a payment for [Illegible] Financed Receivable and a non-Financed Receivable, the funds will first be applied to the Financed Receivable and, if there is no Event of Default then existing, the excess will be remitted to Borrower, subject to Section 2.9 of this Agreement.

2.4 Facility Fee. A fully earned, non-refundable facility fee of Seven Thousand Five Hundred Dollars (\$7,500) is due on the Effective Date and each anniversary thereof (the “**Facility Fee**”).

2.5 Finance Charges. In computing Finance Charges on the Obligations under this Agreement, all Collections received by Bank shall be deemed applied by Bank on account of the Obligations three (3) Business Days after receipt of the Collections. Borrower will pay a finance charge (the “**Finance Charge**”) on the Financed Receivable Balance which is equal to the Applicable Rate divided by three hundred sixty (360) multiplied by the number of days each such Financed Receivable is outstanding multiplied by the outstanding Financed Receivable Balance. The Finance Charge is payable in accordance with Section 2.11 of this Agreement. Upon the occurrence of an Event of Default that continues, the Applicable Rate will increase an additional five percent (5.0%) per annum.

Unless a Streamline Period is in effect, in the event that the aggregate amount of Finance Charges earned by Bank in any Reconciliation Period is less than the Minimum Finance Charge, Borrower shall pay to Bank an additional Finance Charge equal to (i) the Minimum Finance Charge minus (ii) the aggregate amount of all Finance Charges and Collateral Handling Fees earned by Bank in such Reconciliation Period. Such additional Finance Charge shall be payable on the first day of the next Reconciliation Period.

2.6 Collateral Handling Fee. Borrower will pay to Bank a collateral handling fee equal to three eighths of one percent (0.375%) per Reconciliation Period of the Financed Receivable Balance for each Financed Receivable outstanding based upon a 360 day year (the “**Collateral Handling Fee**”); provided however, if a Streamline Period is in effect at all times during any given Reconciliation Period, the Collateral Handling Fee shall not apply for such Reconciliation Period. The Collateral Handling Fee is charged on a daily basis and is equal to the Collateral Handling Fee divided by 30, multiplied by the number of days each such Financed Receivable is outstanding, multiplied by the outstanding Financed Receivable Balance. The Collateral Handling Fee is payable when the Advance made based on such Financed Receivable is repaid in accordance with Section 2.11 of this Agreement. In computing Collateral Handling Fees under this Agreement, all Collections received by Bank shall be deemed applied by Bank on account of Obligations three (3) Business Days after receipt of the Collections. Upon the occurrence of an Event of Default that continues, the Collateral Handling Fee will increase an additional one half of one percent (0.50%).

2.7 Accounting. After each Reconciliation Period, Bank will provide Borrower with an accounting of the transactions for that Reconciliation Period, including the amount of all Financed Receivables, all Collections, Adjustments, Finance Charges, Collateral Handling Fee, and the Facility Fee. If Borrower does not object to the accounting in writing within thirty (30)

days it shall be considered accurate. All Finance Charges and other interest and fees are calculated on the basis of a three hundred sixty (360) day year and actual days elapsed.

2.8 Deductions. Bank may deduct fees, Bank Expenses, Finance Charges, Advances which become due pursuant to Section 2.11 of this Agreement, and other amounts due pursuant to this Agreement from any Advances made or Collections received by Bank.

2.9 Lockbox; Account Collection Services.

(a) Borrower shall direct each Account Debtor (and each depository institution where proceeds of Accounts are on deposit) to remit payments with respect to the Accounts to a lockbox account established with Bank or to wire transfer payments to a cash collateral account that Bank controls (collectively, the “**Lockbox**”). It will be considered an immediate Event of Default if the Lockbox is not established and operational on the Effective Date and at all times thereafter until such Lockbox is established and operational.

(b) Upon receipt by Borrower of any proceeds of Accounts, Borrower shall immediately transfer and deliver same to Bank, along with a detailed cash receipts journal.

(c) Provided no Event of Default exists or an event that with notice or lapse of time will be an Event of Default, within three (3) days of receipt of any proceeds of the Accounts by Bank (whether received by Bank in the Lockbox, directly from Borrower, or otherwise), Bank will turn over to Borrower such proceeds, other than (i) Collections applied by Bank pursuant to Section 2.3 of this Agreement and (ii) such proceeds which shall be used by Bank to repay any other amounts then due to Bank, such as the Finance Charge, the Facility Fee, Collateral Handling Fee, and Bank Expenses; provided, however, Bank may hold any proceeds of the Accounts (whether received by Bank in the Lockbox, directly from Borrower, or otherwise and whether or not in respect of Financed Receivables) as a reserve until the end of the applicable Reconciliation Period if Bank, in its reasonable discretion, determines that other Financed Receivable(s) may no longer qualify as an Eligible Account at any time prior to the end of the subject Reconciliation Period.

(d) This Section 2.9 does not impose any affirmative duty on Bank to perform any act other than as specifically set forth herein. All Accounts and the proceeds thereof are Collateral, and if an Event of Default occurs and is continuing, Bank may, without notice, apply the proceeds of such Accounts to the Obligations.

2.10 Bank Expenses. Borrower shall pay all Bank Expenses (including reasonable attorneys’ fees and expenses, plus expenses, for documentation and negotiation of this Agreement) incurred through and after the Effective Date, when due.

2.11 Repayment of Obligations; Adjustments.

2.11.1 Repayment.

(a) Borrower will repay each Advance made based upon a specific Eligible Account on the earliest of: (i) the date on which payment is received of the Financed Receivable with respect to which the Advance was made, (ii) the date on which the Financed Receivable is

no longer an Eligible Account, (iii) the date on which any Adjustment is asserted to the Financed Receivable (but only to the extent of the Adjustment if the Financed Receivable remains otherwise an Eligible Account), (iv) the date on which there is a breach of any warranty or representation set forth in Section 5.3, (v) as required pursuant to Section 2.1.1, or (vi) the Maturity Date (including any early termination). Each payment will also include all accrued Finance Charges and Collateral Handling Fees with respect to such Advance and all other amounts then due and payable hereunder.

(b) With respect to each Advance made based upon Aggregate Eligible Accounts:

(i) Borrower shall pay to Bank, on the first day of each Reconciliation Period, all accrued Finance Charges on the Advances made based on the Aggregate Eligible Accounts;

(ii) Borrower will pay the principal amount of the Advances made based upon Aggregate Eligible Accounts on the earliest of: (A) the date on which the aggregate amount of outstanding Advances hereunder exceeds the Aggregate Eligible Accounts Availability Amount (but only up to the amount exceeding the Aggregate Eligible Accounts Availability Amount), (B) the Account Advance Maturity Date (including any early termination), or (C) as required pursuant to Section 2.1.1. Each payment shall also include all accrued Finance Charges with respect to such Advance and all other amounts then due and payable hereunder with respect to such Advance; and

2.11.2 Repayment on Event of Default. When there is an Event of Default, Borrower will, if Bank demands (or, upon the occurrence of an Event of Default under Section 8.5 of this Agreement, immediately without notice or demand from Bank) repay all of the Obligations. The demand may, at Bank's option, include the Advance for each Financed Receivable then outstanding and all accrued Finance Charges, Collateral Handling Fee, attorneys' and professional fees, court costs and expenses, Bank Expenses and any other Obligations outstanding.

2.11.3 Debit of Accounts. Bank shall debit, first, the Designated Deposit Account, and if insufficient funds are in the Designated Deposit Account, then any of Borrower's deposit accounts, for principal and interest payments or any other amounts Borrower owes Bank when due. These debits shall not constitute a set-off.

2.12 Power of Attorney. Borrower irrevocably appoints Bank and its successors and assigns as attorney-in-fact and authorizes Bank and its successors and assigns, to: (a) following the occurrence and during the continuance of an Event of Default, (i) sell, assign, transfer, pledge, compromise, or discharge all or any part of the Financed Receivables; (ii) demand, collect, sue, and give releases to any Account Debtor for monies due and compromise, prosecute, or defend any action, claim, case or proceeding about the Financed Receivables, including filing a claim or voting a claim in any bankruptcy case in Bank's or Borrower's name, as Bank chooses; and (iii) prepare, file and sign Borrower's name on any notice, claim, assignment, demand, draft, or notice of or satisfaction of lien or mechanics' lien or similar document; and (b) regardless of whether an Event of Default has occurred and is continuing, (i) notify all Account

Debtors to pay Bank directly; (ii) receive, open, and dispose of mail addressed to Borrower; (iii) endorse Borrower's name on checks or other instruments (to the extent necessary to pay amounts owed pursuant to any of the Loan Documents); and (iv) execute on Borrower's behalf any instruments, documents, financing statements to perfect Bank's interests in the Financed Receivables and Collateral and do all acts and things necessary or prudent, as determined solely and exclusively by Bank, to protect, preserve or otherwise enforce Bank's rights and remedies under the Loan Documents, as directed by Bank.

3. CONDITIONS OF LOANS

3.1 Conditions Precedent to Initial Credit Extension. Bank's obligation to make the initial Credit Extension is subject to the condition precedent that Bank shall have received, in form and substance satisfactory to Bank, such documents, and completion of such other matters, as Bank may reasonably deem necessary or appropriate, including, without limitation:

(a) the Loan Documents;

(b) Borrower's Operating Documents and a good standing certificate of Borrower certified by the Secretary of State of the State of California as of a date no earlier than thirty (30) days prior to the Effective Date;

(c) the completed and executed Borrowing Resolutions for Borrower;

(d) evidence satisfactory to Bank that the insurance policies required by Section 6.4 of this Agreement are in full force and effect, together with appropriate evidence showing lender loss payable and/or additional insured clauses or endorsements in favor of Bank; and

(e) payment of the fees and Bank Expenses then due as specified in Section 2.10 of this Agreement.

3.2 Conditions Precedent to all Credit Extensions. Bank's agreement to make each Credit Extension, including the initial Credit Extension, is subject to the following:

(a) receipt of the Advance Request and Invoice Transmittal or Payment/Advance Form, as applicable;

(b) Bank shall have (at its option) conducted the confirmations and verifications as described in Section 2.1.1(d) of this Agreement;

(c) each of the representations and warranties in this Agreement shall be true, accurate, and complete in all material respects on the date of the Advance Request and Invoice Transmittal or Payment/Advance Form (as applicable); provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date, and no Event of Default shall have occurred and be continuing or result from the Credit Extension. Each Credit Extension is Borrower's representation and

warranty on that date that the representations and warranties in this Agreement remain true, accurate, and complete in all material respects; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date; and

(d) in Bank's sole but reasonable discretion, there has not been a Material Adverse Change.

3.3 Covenant to Deliver. Borrower agrees to deliver to Bank each item required to be delivered to Bank under this Agreement as a condition precedent to any Credit Extension. Borrower expressly agrees that a Credit Extension made prior to the receipt by Bank of any such item shall not constitute a waiver by Bank of Borrower's obligation to deliver such item, and the making of any Credit Extension in the absence of a required item shall be in Bank's sole discretion.

4. CREATION OF SECURITY INTEREST

4.1 Grant of Security Interest. Borrower hereby grants Bank, to secure the payment and performance in full of all of the Obligations, a continuing security interest in, and pledges to Bank, the Collateral, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof. Borrower represents, warrants, and covenants that the security interest granted herein shall be and shall at all times continue to be a first priority security interest in the Collateral subject only to Permitted Liens. If Borrower shall at any time acquire a commercial tort claim in an aggregate amount in excess of One Hundred Thousand Dollars (\$100,000), Borrower shall promptly notify Bank in a writing signed by Borrower of the general details thereof and grant to Bank in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance satisfactory to Bank.

Borrower acknowledges that it previously has entered, and/or may in the future enter, into Bank Services Agreements with Bank. Regardless of the terms of any Bank Services Agreement, Borrower agrees that any amounts Borrower owes Bank thereunder shall be deemed to be Obligations hereunder and that it is the intent of Borrower and Bank to have all such Obligations secured by the first priority security interest in the Collateral granted herein (subject only to Permitted Liens that may have superior priority to Bank's Lien in this Agreement).

If this Agreement is terminated, Bank's Lien in the Collateral shall continue until the Obligations (other than inchoate indemnity obligations) are satisfied in full, and at such time Bank shall, at Borrower's sole cost and expense, terminate its security interest in the Collateral and all rights therein shall revert to Borrower. In the event (a) all Obligations (other than inchoate indemnity obligations), except for Bank Services, are satisfied in full, and (b) this Agreement is terminated, Bank shall terminate the security interest granted herein upon Borrower providing cash collateral acceptable to Bank in its good faith business judgment consistent with Bank's then current practice for Bank Services, if any. In the event such Bank Services consist of outstanding Letters of Credit, Borrower shall provide to Bank cash collateral

in an amount equal to one hundred five percent (105%) of the Dollar Equivalent of the face amount of all such Letters of Credit plus all interest, fees, and costs due or to become due in connection therewith (as estimated by Bank in its good faith business judgment), to secure all of the Obligations relating to such Letters of Credit.

4.2 Authorization to File Financing Statements. Borrower hereby authorizes Bank to file financing statements, without notice to Borrower, with all appropriate jurisdictions to perfect or protect Bank's interest or rights hereunder.

5. REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants as follows:

5.1 Due Organization and Authorization. Borrower and each of its Subsidiaries are duly existing and in good standing as Registered Organizations in their respective jurisdictions of formation and are qualified and licensed to do business and are in good standing in any other jurisdiction in which the conduct of their respective business or ownership of property requires that they be qualified except where the failure to do so could not reasonably be expected to have a material adverse effect on Borrower's business. In connection with this Agreement, Borrower has delivered to Bank a completed certificate signed by Borrower, entitled Perfection Certificate (the "**Perfection Certificate**"). Borrower represents and warrants to Bank that (a) Borrower's exact legal name is that indicated on the Perfection Certificate and on the signature page hereof; (b) Borrower is an organization of the type and is organized in the jurisdiction set forth in the Perfection Certificate; (c) the Perfection Certificate accurately sets forth Borrower's organizational identification number or accurately states that Borrower has none; (d) the Perfection Certificate accurately sets forth Borrower's place of business, or, if more than one, its chief executive office as well as Borrower's mailing address (if different than its chief executive office); (e) Borrower (and each of its predecessors) has not, in the past five (5) years, changed its jurisdiction of formation, corporate structure, organizational type, or any organizational number assigned by its jurisdiction; and (f) all other information set forth on the Perfection Certificate pertaining to Borrower and each of its Subsidiaries is accurate and complete (it being understood and agreed that Borrower may from time to time update certain information in the Perfection Certificate after the Effective Date to the extent permitted by one or more specific provisions in this Agreement).

The execution, delivery and performance by Borrower of the Loan Documents to which it is a party have been duly authorized, and do not (i) conflict with any of Borrower's organizational documents, (ii) contravene, conflict with, constitute a default under or violate any material Requirement of Law, (iii) contravene, conflict or violate any applicable order, writ, judgment, injunction, decree, determination or award of any Governmental Authority by which Borrower or any of its Subsidiaries or any of their property or assets may be bound or affected, (iv) require any action by, filing, registration, or qualification with, or Governmental Approval from, any Governmental Authority (except such Governmental Approvals which have already been obtained and are in full force and effect) or (v) constitute an event of default under any material agreement by which Borrower is bound. Borrower is not in default under any agreement to which it is a party or by which it is bound in which the default could reasonably be expected to have a material adverse effect on Borrower's business.

5.2 Collateral. Borrower has good title to, has rights in, and the power to transfer, each item of the Collateral upon which it purports to grant a Lien hereunder, free and clear of any and all Liens except Permitted Liens. Borrower has no deposit accounts other than the deposit accounts with Bank, the deposit accounts, if any, described in the Perfection Certificate delivered to Bank in connection herewith, or of which Borrower has given Bank notice and taken such actions as are necessary to give Bank a perfected security interest therein. The Accounts are bona fide, existing obligations of the Account Debtors.

The Collateral is not in the possession of any third party bailee (such as a warehouse) except as otherwise provided in the Perfection Certificate. None of the components of the Collateral are currently being maintained at locations other than as provided in the Perfection Certificate or as permitted pursuant to Section 7.2 of this Agreement.

Borrower is the sole owner of the Intellectual Property which it owns or purports to own except for (a) licenses granted to customers or contract manufacturers in the ordinary course of business or such other licenses as are permitted hereunder, (b) over-the-counter software that is commercially available to the public, and (c) material Intellectual Property licensed to Borrower and noted on the Perfection Certificate. Each Patent which it owns or purports to own and which is material to Borrower's business is valid and enforceable, and no part of the Intellectual Property which Borrower owns or purports to own and which is material to Borrower's business has been judged invalid or unenforceable, in whole or in part. To the best of Borrower's knowledge, no claim has been made that any part of the Intellectual Property violates the rights of any third party except to the extent such claim would not reasonably be expected to have a material adverse effect on Borrower's business. Except as noted on the Perfection Certificate, Borrower is not a party to, nor is it bound by, any Restricted License.

5.3 Financed Receivables. Borrower represents and warrants for each Financed Receivable:

- (a) Such Financed Receivable is an Eligible Account;
- (b) Borrower is the owner of and has the legal right to sell, transfer, assign and encumber such Financed Receivable;
- (c) The correct amount is on the Invoice Transmittal and is not disputed;
- (d) Payment is not contingent on any obligation or contract and Borrower has fulfilled all its obligations as of the Invoice Transmittal date;
- (e) Such Financed Receivable is based on an actual sale and delivery of goods and/or services rendered, is due to Borrower, is not past due or in default, has not been previously sold, assigned, transferred, or pledged and is free of any liens, security interests and encumbrances other than Permitted Liens;
- (f) There are no defenses, offsets, counterclaims or agreements for which the Account Debtor may claim any deduction or discount;

(g) Borrower reasonably believes no Account Debtor is insolvent or subject to any Insolvency Proceedings;

(h) Borrower has not filed or had filed against it Insolvency Proceedings and does not anticipate any filing;

(i) Bank has the right to endorse and/ or require Borrower to endorse all payments received on Financed Receivables and all proceeds of Collateral; and

(j) No representation, warranty or other statement of Borrower in any certificate or written statement given to Bank contains any untrue statement of a material fact or omits to state a material fact necessary to make the statement contained in the certificates or statement not misleading.

5.4 Litigation. There are no actions or proceedings pending or, to the knowledge of Borrower's Responsible Officers, threatened in writing by or against Borrower or any Subsidiary in which an adverse decision could reasonably be expected to cause a Material Adverse Change.

5.5 No Material Deviation in Financial Statements and Deterioration in Financial Condition. All consolidated financial statements for Borrower and any Subsidiary delivered to Bank fairly present in all material respects Borrower's consolidated financial condition and Borrower's consolidated results of operations. There has not been any material deterioration in Borrower's consolidated financial condition since the date of the most recent financial statements submitted to Bank.

5.6 Solvency. The fair salable value of Borrower's assets (including goodwill minus disposition costs) exceeds the fair value of its liabilities; Borrower is not left with unreasonably small capital after the transactions in this Agreement; and Borrower is able to pay its debts (including trade debts) as they mature.

5.7 Regulatory Compliance. Borrower is not an "investment company" or a company "controlled" by an "investment company" under the Investment Company Act of 1940, as amended. Borrower is not engaged as one of its important activities in extending credit for margin stock (under Regulations X, T and U of the Federal Reserve Board of Governors). Borrower has complied in all material respects with the Federal Fair Labor Standards Act. Borrower has not violated any laws, ordinances or rules, the violation of which could reasonably be expected to cause a Material Adverse Change. None of Borrower's or any Subsidiary's properties or assets has been used by Borrower or any Subsidiary or, to the best of Borrower's knowledge, by previous Persons, in disposing, producing, storing, treating, or transporting any hazardous substance other than legally. Borrower and each of its Subsidiaries have obtained all consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all Governmental Authorities that are necessary to continue their respective businesses as currently conducted.

5.8 Subsidiaries. Borrower does not own any stock, partnership interest or other equity securities except for Permitted Investments.

5.9 Tax Returns and Payments; Pension Contributions. Borrower and each Subsidiary have timely filed all required tax returns and reports, and Borrower and each Subsidiary have timely paid all federal and material foreign, state and local taxes, assessments, deposits and contributions owed by Borrower and each Subsidiary. Borrower may defer payment of any contested taxes, provided that Borrower (1) in good faith contests its obligation to pay the taxes by appropriate proceedings promptly and diligently instituted and conducted, (b) notifies Bank in writing of the commencement of, and any material development in, the proceedings and (2) posts bonds or takes any other steps required to prevent the Governmental Authority levying such contested taxes from obtaining a Lien upon any of the Collateral that is other than a "Permitted Lien". Borrower is unaware of any claims or adjustments proposed for any of Borrower's prior tax years which could result in additional taxes becoming due and payable by Borrower. Borrower has paid all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms, and Borrower has not withdrawn from participation in, and has not permitted partial or complete termination of, or permitted the occurrence of any other event with respect to, any such plan which could reasonably be expected to result in any liability of Borrower, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other governmental agency.

5.10 Full Disclosure. No written representation, warranty or other statement of Borrower in any certificate or written statement given to Bank, as of the date such representation, warranty, or other statement was made, taken together with all such written certificates and written statements given to Bank, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained in the certificates or statements not misleading (it being recognized by Bank that any projections and forecasts provided by Borrower in good faith and based upon reasonable assumptions are not viewed as facts and that actual results during the period or periods covered by such projections and forecasts may differ from the projected or forecasted results).

6. AFFIRMATIVE COVENANTS

Borrower shall do all of the following:

6.1 Government Compliance.

(a) Maintain its and all its Subsidiaries' legal existence and good standing in their respective jurisdictions of formation and maintain qualification in each jurisdiction in which the failure to so qualify would reasonably be expected to have a material adverse effect on Borrower's business or operations. Borrower shall comply, and have each Subsidiary comply, with all laws, ordinances and regulations to which it is subject, noncompliance with which could have a material adverse effect on Borrower's business.

(b) Obtain all of the Governmental Approvals necessary for the performance by Borrower of its obligations under the Loan Documents to which it is a party and the grant of a security interest to Bank in all of the Collateral. Borrower shall promptly provide copies of any such obtained Governmental Approvals to Bank.

(c) Deliver to Bank, within five (5) days after the same are sent or received, copies of all correspondence, reports, documents and other filings with any Governmental Authority regarding compliance with or maintenance of Governmental Approvals or Requirements of Law that could reasonably be expected to have a material adverse effect on any of the Governmental Approvals or otherwise on the operations of Borrower or any of its Subsidiaries.

6.2 Financial Statements, Reports, Certificates.

(a) Deliver to Bank: (i) as soon as available, but no later than thirty (30) days after the last day of each Reconciliation Period, a company prepared consolidated balance sheet and income statement covering Borrower's consolidated operations during the period certified by a Responsible Officer and in a form acceptable to Bank; (ii) as soon as available, but no later than one hundred eighty (180) days after the last day of Borrower's fiscal year, audited consolidated financial statements prepared under GAAP, consistently applied, together with an unqualified opinion on the financial statements from an independent certified public accounting firm reasonably acceptable to Bank; (iii) in the event that Borrower becomes subject to the reporting requirements under the Exchange Act, within five (5) days of filing, copies of all non-ministerial statements, reports and notices made available to Borrower's security holders or to any holders of Subordinated Debt (in their capacity as holders of such debt) and all reports on Form 10-K, 10-Q and 8-K filed with the SEC; (iv) a prompt report of any legal actions pending or threatened against Borrower or any Subsidiary that could result in damages or costs to Borrower or any Subsidiary of One Hundred Thousand Dollars (\$100,000.00) or more; (v) as soon as available, but no later than thirty (30) days after approval by Borrower's Board of Directors, annual financial projections for the following fiscal year approved by Borrower's Board of Directors and commensurate in form and substance with those provided to Borrower's venture capital investors, together with any related business forecasts used in the preparation of such annual financial plans and projections, and (vi) such other budgets, sales projections, operating plans or other financial information reasonably requested by Bank.

(b) Within thirty (30) days after the last day of each Reconciliation Period, deliver to Bank with the monthly financial statements a Compliance Certificate signed by a Responsible Officer in the form of Exhibit B.

(c) Allow Bank to inspect the Collateral and audit and copy Borrower's Books, including, but not limited to, Borrower's Accounts, upon reasonable notice to Borrower. Such inspections or audits shall be conducted no more often than once every twelve (12) months unless an Event of Default has occurred and is continuing. The foregoing inspections and audits shall be at Borrower's expense, and the charge therefor shall be Eight Hundred Fifty Dollars (\$850) per person per day (or such higher amount as shall represent Bank's then-current standard charge for the same), plus reasonable out-of-pocket expenses. In the event Borrower and Bank schedule an audit more than ten (10) days in advance, and Borrower cancels or seeks to reschedule the audit with less than ten (10) days written notice to Bank, then (without limiting any of Bank's rights or remedies), Borrower shall pay Bank a fee of One Thousand Dollars (\$1,000) plus any out-of-pocket expenses incurred by Bank to compensate Bank for the anticipated costs and expenses of the cancellation or rescheduling. After the occurrence of an Event of Default, Bank may audit Borrower's Collateral at Borrower's expense, including, but

not limited to, Borrower's Accounts as frequently as Bank deems necessary at Borrower's expense and at Bank's sole and exclusive discretion, without notification to and authorization from Borrower.

(d) Upon Bank's request, provide a written report on any Financed Receivable, where payment of such Financed Receivable does not occur by its due date and include the reasons for the delay.

(e) Provide Bank with, as soon as available, but no later than thirty (30) days following each Reconciliation Period, an aged listing of accounts receivable and accounts payable by invoice date, in form and detail acceptable to Bank.

(f) Provide Bank with, as soon as available, but no later than thirty (30) days following each Reconciliation Period, if applicable, a Deferred Revenue report, in form and detail acceptable to Bank.

(g) Provide Bank prompt written notice of (i) any material adverse change in the composition of the Intellectual Property, (ii) the registration of any Copyright, including any subsequent ownership right of Borrower in or to any Copyright, Patent or Trademark not previously disclosed in writing to Bank, and (iii) Borrower's knowledge of an event that could reasonably be expected to materially and adversely affect the value of the Intellectual Property, taken as a whole.

(h) Immediately upon a Streamline Period ceasing to be in effect, provide Bank with a current aging of Accounts and, to the extent not previously delivered to Bank, a copy of the invoice for each Eligible Account and an Advance Request and Invoice Transmittal with respect to each such Account.

(i) Immediately upon a Streamline Period beginning, and thereafter until such Streamline Period is no longer in effect, provide Bank with, as soon as available, but no later than thirty (30) days following each Reconciliation Period, a duly completed Borrowing Base Certificate signed by a Responsible Officer.

6.3 Taxes. Make, and cause each Subsidiary to make, timely payment of all federal and material foreign, state, and local taxes or assessments (other than taxes and assessments which Borrower is contesting in good faith, with adequate reserves maintained in accordance with GAAP) and will deliver to Bank, on demand, appropriate certificates attesting to such payments.

6.4 Insurance. Keep its business and the Collateral insured for risks and in amounts standard for companies in Borrower's industry and location, and as Bank may reasonably request. Insurance policies shall be in a form, with companies, and in amounts that are satisfactory to Bank. All property policies shall have a lender's loss payable endorsement showing Bank as lender loss payee and waive subrogation against Bank, and all liability policies shall show, or have endorsements showing, Bank as an additional insured. All policies (or the lender loss payable and additional insured endorsements) shall provide that the insurer must give Bank at least twenty (20) days notice before canceling, amending, or declining to renew its policy. At Bank's request, Borrower shall deliver certified copies of policies and evidence of all

premium payments. Proceeds payable under any policy shall, at Bank's option, be payable to Bank on account of the Obligations. If Borrower fails to obtain insurance as required under this Section 6.4 or to pay any amount or furnish any required proof of payment to third persons and Bank, Bank may make all or part of such payment or obtain such insurance policies required in this Section 6.4, and take any action under the policies Bank deems prudent.

6.5 Accounts.

(a) To permit Bank to monitor Borrower's financial performance and condition, Borrower, and all Borrower's Subsidiaries, shall maintain Borrower's and such Subsidiaries' primary depository, operating and securities accounts with Bank and Bank's Affiliates, which accounts shall represent at least eighty five percent (85%) of the dollar value of Borrower's and such Subsidiaries' accounts at all financial institutions.

(b) Provide Bank five (5) days prior written notice before establishing any Collateral Account at or with any bank or financial institution other than Bank or Bank's Affiliates. For each Collateral Account that Borrower at any time maintains, Borrower shall cause the applicable bank or financial institution (other than Bank) at or with which any Collateral Account is maintained to execute and deliver a Control Agreement or other appropriate instrument with respect to such Collateral Account to perfect Bank's Lien in such Collateral Account in accordance with the terms hereunder which Control Agreement may not be terminated without the prior written consent of Bank (which consent, upon payment in full of all Obligations (other than inchoate indemnity Obligations) and termination of Bank's commitment to lend, shall not be unreasonably withheld). The provisions of the previous sentence shall not apply to deposit accounts exclusively used for payroll, payroll taxes and other employee wage and benefit payments to or for the benefit of Borrower's employees and identified to Bank by Borrower as such.

6.6 Inventory; Returns; Notices of Adjustments. Keep all Inventory in good and marketable condition, free from material defects. Returns and allowances between Borrower and its Account Debtors shall follow Borrower's customary practices as they exist at the Effective Date. If, at any time during the term of this Agreement, any Account Debtor asserts an Adjustment in excess of One Hundred Thousand Dollars (\$100,000), Borrower issues a credit memorandum, or any representation, warranty or covenant set forth in this Agreement or the other Loan Documents is no longer true in all material respects, Borrower will promptly advise Bank.

6.7 Intentionally Omitted.

6.8 Protection of Intellectual Property Rights.

(a) (i) Protect, defend and maintain the validity and enforceability of its material Intellectual Property; (ii) promptly advise Bank in writing of material infringements of its material Intellectual Property; and (iii) not allow any Intellectual Property material to Borrower's business to be abandoned, forfeited or dedicated to the public without Bank's written consent.

(b) Provide written notice to Bank within thirty (30) days of entering or becoming bound by any Restricted License (other than over-the-counter software that is commercially available to the public). Borrower shall take such commercially reasonable steps as Bank requests to obtain the consent of, or waiver by, any person whose consent or waiver is necessary for (i) any Restricted License to be deemed "Collateral" and for Bank to have a security interest in it that might otherwise be restricted or prohibited by law or by the terms of any such Restricted License, whether now existing or entered into in the future, and (ii) Bank to have the ability in the event of a liquidation of any Collateral to dispose of such Collateral in accordance with Bank's rights and remedies under this Agreement and the other Loan Documents.

6.9 Litigation Cooperation. From the Effective Date and continuing through the termination of this Agreement, make available to Bank, without expense to Bank, Borrower and its officers, employees and agents and Borrower's Books, to the extent that Bank may deem them reasonably necessary to prosecute or defend any third-party suit or proceeding instituted by or against Bank with respect to any Collateral or relating to Borrower.

6.10 Further Assurances. Execute any further instruments and take further action as Bank reasonably requests to perfect or continue Bank's Lien in the Collateral or to effect the purposes of this Agreement.

7. NEGATIVE COVENANTS

Borrower shall not do any of the following without Bank's prior written consent.

7.1 Dispositions. Convey, sell, lease, transfer, assign, or otherwise dispose of (collectively a "Transfer"), or permit any of its Subsidiaries to Transfer, all or any part of its business or property, except for Transfers (a) of Inventory in the ordinary course of business; (b) of worn-out or obsolete Equipment; (c) in connection with Permitted Liens and Permitted Investments and (d) of non-exclusive licenses for the use of the property of Borrower or its Subsidiaries in the ordinary course of business or licenses that could not result in a legal transfer of title of the licensed property that may be exclusive in respects other than territory and that may be exclusive as to territory only as to discreet geographical areas outside of the United States.

7.2 Changes in Business, Ownership, Management or Business Locations. Engage in or permit any of its Subsidiaries to engage in any business other than the businesses currently engaged in by Borrower or reasonably related thereto; Borrower's CEO ceases to hold such office with Borrower and a replacement satisfactory to Borrower's Board of Directors is not made within ninety (90) days after his departure from Borrower or suffer or permit a Change of Control (other than by the sale of Borrower's equity securities in a public offering or to its current venture capital investors or other venture capital investors so long as Borrower identifies to Bank the venture capital investors prior to the closing of the investment). Borrower shall not, without at least thirty (30) days prior written notice to Bank: (a) relocate its chief executive office, or add any new offices or business locations, including warehouses (unless such new offices or business locations contain less than Twenty Five Thousand Dollars (\$25,000.00) in Borrower's assets or property), or (b) change its jurisdiction of organization, or (c) change its

organizational structure or type, or (d) change its legal name, or (e) change any organizational number (if any) assigned by its jurisdiction of organization.

7.3 Mergers or Acquisitions. Merge or consolidate, or permit any of its Subsidiaries to merge or consolidate, with any other Person, or acquire, or permit any of its Subsidiaries to acquire, all or substantially all of the capital stock or property of another Person. A Subsidiary may merge or consolidate into another Subsidiary or into Borrower.

7.4 Indebtedness. Create, incur, assume, or be liable for any Indebtedness, or permit any Subsidiary to do so, other than Permitted Indebtedness.

7.5 Encumbrance. Create, incur, or allow any Lien on any of its property, or assign or convey any right to receive income, including the sale of any Accounts, or permit any of its Subsidiaries to do so, except for Permitted Liens, or permit any Collateral not to be subject to the first priority security interest granted herein, or enter into any agreement, document, instrument or other arrangement (except with or in favor of Bank) with any Person which directly or indirectly prohibits or has the effect of prohibiting Borrower or any Subsidiary from assigning, mortgaging, pledging, granting a security interest in or upon, or encumbering any of Borrower's or any Subsidiary's intellectual property, except as is otherwise permitted in Section 7.1 hereof and the definition of "Permitted Lien" herein.

7.6 Distributions; Investments. (a) Pay any dividends or make any distribution or payment or redeem, retire or purchase any capital stock, provided that (i) Borrower may convert any of its convertible securities into other securities pursuant to the terms of such convertible securities or otherwise in exchange thereof, (ii) Borrower may pay dividends solely in common stock; and (iii) Borrower may repurchase the stock of former employees or consultants pursuant to stock repurchase agreements so long as an Event of Default does not exist at the time of such repurchase and would not exist after giving effect to such repurchase, provided such repurchase does not exceed in the aggregate of One Hundred Thousand Dollars (\$100,000) per fiscal year; or (b) directly or indirectly make any Investment other than Permitted Investments, or permit any of its Subsidiaries to do so.

7.7 Transactions with Affiliates. Directly or indirectly enter into or permit to exist any material transaction with any Affiliate of Borrower, except (i) pursuant to currently existing agreements, (ii) for transactions that are in the ordinary course of Borrower's business, upon fair and reasonable terms that are no less favorable to Borrower than would be obtained in an arm's length transaction with a non-affiliated Person, and (iii) in connection with equity investments in Borrower and Subordinated Debt.

7.8 Subordinated Debt. (a) Make or permit any payment on any Subordinated Debt, except under the terms of the subordination, intercreditor, or other similar agreement to which such Subordinated Debt is subject, or (b) amend any provision in any document relating to the Subordinated Debt which would increase the amount thereof or adversely affect the subordination thereof to Obligations owed to Bank.

7.9 Compliance. Become an "investment company" or a company controlled by an "investment company", under the Investment Company Act of 1940, as amended, or undertake

as one of its important activities extending credit to purchase or carry margin stock (as defined in Regulation U of the Board of Governors of the Federal Reserve System), or use the proceeds of any Credit Extension for that purpose; fail to meet the minimum funding requirements of ERISA, permit a Reportable Event or Prohibited Transaction, each as defined in ERISA, to occur; fail to comply with the Federal Fair Labor Standards Act or violate any other law or regulation, if the violation could reasonably be expected to have a material adverse effect on Borrower's business, or permit any of its Subsidiaries to do so; withdraw or permit any Subsidiary to withdraw from participation in, permit partial or complete termination of, or permit the occurrence of any other event with respect to, any present pension, profit sharing and deferred compensation plan which could reasonably be expected to result in any liability of Borrower, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other governmental agency

8. EVENTS OF DEFAULT

Any one of the following shall constitute an event of default (an "**Event of Default**") under this Agreement:

8.1 Payment Default. Borrower fails to pay any of the Obligations when due;

8.2 Covenant Default. Borrower fails or neglects to perform any obligation in Section 2.9 or Section 6 of this Agreement or violates any covenant in Section 7 of this Agreement or fails or neglects to perform, keep, or observe any other term, provision, condition, covenant or agreement contained in this Agreement, any Loan Documents and as to any default under such other term, provision, condition, covenant or agreement that can be cured, has failed to cure the default within ten (10) days after the occurrence thereof; provided, however, grace and cure periods provided under this Section 8.2(b) shall not apply to financial covenants or any other covenants that are required to be satisfied, completed or tested by a date certain;

8.3 Material Adverse Change. A Material Adverse Change occurs;

8.4 Attachment; Levy; Restraint on Business. (a) (i) The service of process seeking to attach, by trustee or similar process, any funds of Borrower or of any entity under control of Borrower (including a Subsidiary) on deposit with Bank or any Bank Affiliate, or (ii) a notice of lien, levy, or assessment is filed against any of Borrower's assets by any government agency, and the same under subclauses (i) and (ii) hereof are not, within ten (10) days after the occurrence thereof, discharged or stayed (whether through the posting of a bond or otherwise); provided, however, no Credit Extensions shall be made during any ten (10) day cure period; and (b) (i) any material portion of Borrower's assets is attached, seized, levied on, or comes into possession of a trustee or receiver, or (ii) any court order enjoins, restrains, or prevents Borrower from conducting any part of its business;

8.5 Insolvency. (a) Borrower is unable to pay its debts (including trade debts) as they become due or otherwise becomes insolvent; (b) Borrower begins an Insolvency Proceeding; or (c) an Insolvency Proceeding is begun against Borrower and not dismissed or stayed within forty-five (45) days (but no Credit Extensions shall be made while of any of the conditions described in clause (a) exist and/or until any Insolvency Proceeding is dismissed);

8.6 Other Agreements. If there is a default in any agreement to which Borrower is a party with a third party or parties resulting in a right by such third party or parties, whether or not exercised, to accelerate the maturity of any Indebtedness in an amount in excess of One Hundred Thousand Dollars (\$100,000) or that could result in a Material Adverse Change;

8.7 Judgments. One or more judgments, orders, or decrees for the payment of money in an amount, individually or in the aggregate, of at least One Hundred Thousand Dollars (\$100,000) (not covered by independent third-party insurance as to which liability has been accepted by such insurance carrier) shall be rendered against Borrower and shall remain unsatisfied, unvacated, or unstayed for a period of ten (10) days after the entry thereof (provided that no Credit Extensions will be made prior to the satisfaction, vacation, or stay of such judgment, order, or decree);

8.8 Misrepresentations. Borrower or any Person acting for Borrower makes any representation, warranty, or other statement, when taken as a whole, now or later in this Agreement, any Loan Document or in writing delivered to Bank or to induce Bank to enter this Agreement or any Loan Document, and such representation, warranty, or other statement is incorrect in any material respect when made;

8.9 Subordinated Debt. A default or breach occurs under any agreement between Borrower and any creditor of Borrower (other than Bank) that signed a subordination agreement, intercreditor agreement, or other similar agreement with Bank, or any creditor that has signed such an agreement with Bank breaches any terms of the agreement;

9. BANK'S RIGHTS AND REMEDIES

9.1 Rights and Remedies. When an Event of Default occurs and continues beyond any applicable grace period Bank may, without notice or demand, do any or all of the following:

(a) declare all Obligations immediately due and payable (but if an Event of Default described in Section 8.5 of this Agreement occurs, all Obligations are immediately due and payable without any action by Bank);

(b) stop advancing money or extending credit for Borrower's benefit under this Agreement or under any other agreement between Borrower and Bank;

(c) for any Letters of Credit, demand that Borrower (i) deposit cash with Bank in an amount equal to one hundred five percent (105%) of the Dollar Equivalent of the aggregate face amount of all Letters of Credit remaining undrawn (plus all interest, fees, and costs due or to become due in connection therewith (as estimated by Bank in its good faith business judgment)), to secure all of the Obligations relating to such Letters of Credit, as collateral security for the repayment of any future drawings under such Letters of Credit, and Borrower shall forthwith deposit and pay such amounts, and (ii) pay in advance all letter of credit fees scheduled to be paid or payable over the remaining term of any Letters of Credit;

(d) terminate any FX Contracts;

(e) settle or adjust disputes and claims directly with Account Debtors for amounts, on terms and in any order that Bank considers advisable and notify any Person owing Borrower money of Bank's security interest in such funds and verify the amount of such account. Borrower shall collect all payments in trust for Bank and, if requested by Bank, immediately deliver the payments to Bank in the form received from the Account Debtor, with proper endorsements for deposit;

(f) make any payments and do any acts it considers necessary or reasonable to protect its security interest in the Collateral. Borrower shall assemble the Collateral if Bank requests and make it available as Bank designates. Bank may enter premises where the Collateral is located, take and maintain possession of any part of the Collateral, and pay, purchase, contest, or compromise any Lien which appears to be prior or superior to its security interest and pay all expenses incurred. Borrower grants Bank a license to enter and occupy any of its premises, without charge, to exercise any of Bank's rights or remedies;

(g) apply to the Obligations any (i) balances and deposits of Borrower it holds, or (ii) any amount held by Bank owing to or for the credit or the account of Borrower;

(h) ship, reclaim, recover, store, finish, maintain, repair, prepare for sale, advertise for sale, and sell the Collateral. Bank is hereby granted a non-exclusive, royalty-free license or other right to use, without charge, Borrower's labels, Patents, Copyrights, mask works, rights of use of any name, trade secrets, trade names, Trademarks, and advertising matter, or any similar property as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral and, in connection with Bank's exercise of its rights under this Section 9.1, Borrower's rights under all licenses and all franchise agreements inure to Bank's benefit;

(i) place a "hold" on any account maintained with Bank and/or deliver a notice of exclusive control, any entitlement order, or other directions or instructions pursuant to any Control Agreement or similar agreements providing control of any Collateral;

(j) demand and receive possession of Borrower's Books; and

(k) exercise all rights and remedies available to Bank under the Loan Documents or at law or equity, including all remedies provided under the Code (including disposal of the Collateral pursuant to the terms thereof).

9.2 Protective Payments. If Borrower fails to obtain the insurance called for by Section 6.4 of this Agreement or fails to pay any premium thereon or fails to pay any other amount which Borrower is obligated to pay under this Agreement or any other Loan Document, Bank may obtain such insurance or make such payment, and all amounts so paid by Bank are Bank Expenses and immediately due and payable, bearing interest at the then highest rate applicable to the Obligations, and secured by the Collateral. Bank will make reasonable efforts to provide Borrower with notice of Bank obtaining such insurance at the time it is obtained or within a reasonable time thereafter. No payments by Bank are deemed an agreement to make similar payments in the future or Bank's waiver of any Event of Default.

9.3 Bank's Liability for Collateral. So long as Bank complies with reasonable banking practices regarding the safekeeping of the Collateral in the possession or under the control of Bank, Bank shall not be liable or responsible for: (a) the safekeeping of the Collateral; (b) any loss or damage to the Collateral; (c) any diminution in the value of the Collateral; or (d) any act or default of any carrier, warehouseman, bailee, or other Person. Borrower bears all risk of loss, damage or destruction of the Collateral.

9.4 No Waiver; Remedies Cumulative. Bank's failure, at any time or times, to require strict performance by Borrower of any provision of this Agreement or any other Loan Document shall not waive, affect, or diminish any right of Bank thereafter to demand strict performance and compliance herewith or therewith. No waiver hereunder shall be effective unless signed by the party granting the waiver and then is only effective for the specific instance and purpose for which it is given. Bank's rights and remedies under this Agreement and the other Loan Documents are cumulative. Bank has all rights and remedies provided under the Code, by law, or in equity. Bank's exercise of one right or remedy is not an election and shall not preclude Bank from exercising any other remedy under this Agreement or other remedy available at law or in equity, and Bank's waiver of any Event of Default is not a continuing waiver. Bank's delay in exercising any remedy is not a waiver, election, or acquiescence.

9.5 Demand Waiver. To the extent permitted by law, Borrower waives demand, notice of default or dishonor, notice of payment and nonpayment, notice of any default, nonpayment at maturity, release, compromise, settlement, extension, or renewal of accounts, documents, instruments, chattel paper, and guarantees held by Bank on which Borrower is liable.

Notwithstanding any other provision of this Agreement or other related document, each Borrower irrevocably waives all rights that it may have at law or in equity (including, without limitation, any law subrogating Borrower to the rights of Bank under this Agreement) to seek contribution, indemnification or any other form of reimbursement from any other Borrower, or any other Person now or hereafter primarily or secondarily liable for any of the Obligations, for any payment made by Borrower with respect to the Obligations in connection with this Agreement or otherwise and all rights that it might have to benefit from, or to participate in, any security for the Obligations as a result of any payment made by Borrower with respect to the Obligations in connection with this Agreement or otherwise. Any agreement providing for indemnification, reimbursement or any other arrangement prohibited under this Section 9.5 shall be null and void. If any payment is made to a Borrower in contravention of this Section 9.5, such Borrower shall hold such payment in trust for Bank and such payment shall be promptly delivered to Bank for application to the Obligations, whether matured or unmatured.

10. NOTICES

All notices, consents, requests, approvals, demands, or other communication by any party to this Agreement or any other Loan Document must be in writing and shall be deemed to have been validly served, given, or delivered: (a) upon the earlier of actual receipt and three (3) Business Days after deposit in the U.S. mail, first class, registered or certified mail return receipt requested, with proper postage prepaid; (b) upon transmission, when sent by electronic mail or facsimile transmission; (c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid; or (d) when delivered, if hand-delivered by messenger, all of which

shall be addressed to the party to be notified and sent to the address, facsimile number, or email address indicated below. Bank or Borrower may change its mailing or electronic mail address or facsimile number by giving the other party written notice thereof in accordance with the terms of this Section 10.

If to Borrower: Airgain, Inc.
1930 Palomar Point Way, Suite 107
Carlsbad, CA 92008
Attn: Charles Myers, President and CEO
Fax: (760) 579-0802
Email: cmyers@airgain.com

If to Bank: Silicon Valley Bank
38 Technology Drive West
Suite 150
Irvine, CA 92618
Attn: Kevin Fleischman, Relationship Manager
Fax: (949) 790-9028
Email: kfleischman@svb.com

11. CHOICE OF LAW, VENUE, JURY TRIAL WAIVER AND JUDICIAL REFERENCE

California law governs the Loan Documents without regard to principles of conflicts of law. Borrower and Bank each submit to the exclusive jurisdiction of the State and Federal courts in Santa Clara County, California; provided, however, that nothing in this Agreement shall be deemed to operate to preclude Bank from bringing suit or taking other legal action in any other jurisdiction to realize on the Collateral or any other security for the Obligations, or to enforce a judgment or other court order in favor of Bank. Borrower expressly submits and consents in advance to such jurisdiction in any action or suit commenced in any such court, and Borrower hereby waives any objection that it may have based upon lack of personal jurisdiction, improper venue, or forum non conveniens and hereby consents to the granting of such legal or equitable relief as is deemed appropriate by such court. Borrower hereby waives personal service of the summons, complaints, and other process issued in such action or suit and agrees that service of such summons, complaints, and other process may be made by registered or certified mail addressed to Borrower at the address set forth in, or subsequently provided to Borrower in accordance with, Section 10 of this Agreement and that service so made shall be deemed completed upon the earlier to occur of Borrower's actual receipt thereof or three (3) days after deposit in the U.S. mails, proper postage prepaid.

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, BORROWER AND BANK EACH WAIVE THEIR RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE LOAN DOCUMENTS OR ANY CONTEMPLATED TRANSACTION, INCLUDING CONTRACT, TORT, BREACH OF DUTY AND ALL OTHER CLAIMS. THIS WAIVER IS A MATERIAL INDUCEMENT FOR BOTH

PARTIES TO ENTER INTO THIS AGREEMENT. EACH PARTY HAS REVIEWED THIS WAIVER WITH ITS COUNSEL.

WITHOUT INTENDING IN ANY WAY TO LIMIT THE PARTIES' AGREEMENT TO WAIVE THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY, if the above waiver of the right to a trial by jury is not enforceable, the parties hereto agree that any and all disputes or controversies of any nature between them arising at any time shall be decided by a reference to a private judge, mutually selected by the parties (or, if they cannot agree, by the Presiding Judge of the Santa Clara County, California Superior Court) appointed in accordance with California Code of Civil Procedure Section 638 (or pursuant to comparable provisions of federal law if the dispute falls within the exclusive jurisdiction of the federal courts), sitting without a jury, in Santa Clara County, California; and the parties hereby submit to the jurisdiction of such court. The reference proceedings shall be conducted pursuant to and in accordance with the provisions of California Code of Civil Procedure §§ 638 through 645.1, inclusive. The private judge shall have the power, among others, to grant provisional relief, including without limitation, entering temporary restraining orders, issuing preliminary and permanent injunctions and appointing receivers. All such proceedings shall be closed to the public and confidential and all records relating thereto shall be permanently sealed. If during the course of any dispute, a party desires to seek provisional relief, but a judge has not been appointed at that point pursuant to the judicial reference procedures, then such party may apply to the Santa Clara County, California Superior Court for such relief. The proceeding before the private judge shall be conducted in the same manner as it would be before a court under the rules of evidence applicable to judicial proceedings. The parties shall be entitled to discovery which shall be conducted in the same manner as it would be before a court under the rules of discovery applicable to judicial proceedings. The private judge shall oversee discovery and may enforce all discovery rules and orders applicable to judicial proceedings in the same manner as a trial court judge. The parties agree that the selected or appointed private judge shall have the power to decide all issues in the action or proceeding, whether of fact or of law, and shall report a statement of decision thereon pursuant to California Code of Civil Procedure § 644(a). Nothing in this paragraph shall limit the right of any party at any time to exercise self-help remedies, foreclose against collateral, or obtain provisional remedies. The private judge shall also determine all issues relating to the applicability, interpretation, and enforceability of this paragraph.

12. GENERAL PROVISIONS

12.1 Successors and Assigns. This Agreement binds and is for the benefit of the successors and permitted assigns of each party. Borrower may not assign this Agreement or any rights or obligations under it without Bank's prior written consent (which may be granted or withheld in Bank's discretion). Bank has the right, without the consent of or notice to Borrower, to sell, transfer, assign, negotiate, or grant participation in all or any part of, or any interest in, Bank's obligations, rights, and benefits under this Agreement and the other Loan Documents.

12.2 Indemnification. Borrower agrees to indemnify, defend and hold Bank and its directors, officers, employees, agents, attorneys, or any other Person affiliated with or representing Bank (each, an "**Indemnified Person**") harmless against: (a) all obligations, demands, claims, and liabilities (collectively, "**Claims**") claimed or asserted by any other party in connection with the transactions contemplated by the Loan Documents; and (b) all losses or

expenses (including Bank Expenses) in any way suffered, incurred, or paid by such Indemnified Person as a result of, following from, consequential to, or arising from transactions between Bank and Borrower (including reasonable attorneys' fees and expenses), except for Claims and/or losses directly caused by such Indemnified Person's gross negligence or willful misconduct.

12.3 Right of Set-Off. Borrower hereby grants to Bank, a lien, security interest and right of setoff as security for all Obligations to Bank, whether now existing or hereafter arising upon and against all deposits, credits, collateral and property, now or hereafter in the possession, custody, safekeeping or control of Bank or any entity under the control of Bank (including a Bank subsidiary) or in transit to any of them. At any time after the occurrence and during the continuance of an Event of Default, without demand or notice, Bank may set off the same or any part thereof and apply the same to any liability or obligation of Borrower even though unmatured and regardless of the adequacy of any other collateral securing the Obligations. ANY AND ALL RIGHTS TO REQUIRE BANK TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE OBLIGATIONS, PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF BORROWER, ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED.

12.4 Time of Essence. Time is of the essence for the performance of all Obligations in this Agreement.

12.5 Correction of Loan Documents. Bank may correct patent errors and fill in any blanks in the Loan Documents consistent with the agreement of the parties so long as Bank provides Borrower with written notice of such correction and allows Borrower at least ten (10) days to object to such correction. In the event of such objection, such correction shall not be made except by an amendment signed by both Bank and Borrower.

12.6 Severability of Provisions. Each provision of this Agreement is severable from every other provision in determining the enforceability of any provision.

12.7 Amendments in Writing; Waiver; Integration. No purported amendment or modification of any Loan Document, or waiver, discharge or termination of any obligation under any Loan Document, shall be enforceable or admissible unless, and only to the extent, expressly set forth in a writing signed by the party against which enforcement or admission is sought. Without limiting the generality of the foregoing, no oral promise or statement, nor any action, inaction, delay, failure to require performance or course of conduct shall operate as, or evidence, an amendment, supplement or waiver or have any other effect on any Loan Document. Any waiver granted shall be limited to the specific circumstance expressly described in it, and shall not apply to any subsequent or other circumstance, whether similar or dissimilar, or give rise to, or evidence, any obligation or commitment to grant any further waiver. The Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of the Loan Documents merge into the Loan Documents.

12.8 Counterparts. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Agreement.

12.9 Survival. All covenants, representations and warranties made in this Agreement continue in full force until this Agreement has terminated pursuant to its terms and all Obligations (other than inchoate indemnity obligations and any other obligations which, by their terms, are to survive the termination of this Agreement) have been paid in full and satisfied. Without limiting the foregoing, except as otherwise provided in Section 4.1, the grant of security interest by Borrower in Section 4.1 shall survive until the termination of all Bank Services Agreements. The obligation of Borrower in Section 12.2 of this Agreement to indemnify Bank shall survive until the statute of limitations with respect to such claim or cause of action shall have run.

12.10 Confidentiality. In handling any confidential information, Bank shall exercise the same degree of care that it exercises for its own proprietary information, but disclosure of information may be made: (a) to Bank's Subsidiaries or Affiliates (such Subsidiaries and Affiliates, together with Bank, each a "**Bank Entity**" and collectively, the "**Bank Entities**"); (b) to prospective transferees or purchasers of any interest in the Credit Extensions (provided, however, Bank shall obtain any prospective transferee's or purchaser's agreement to the terms of this Section 12.10); (c) as required by law, regulation, subpoena, or other order; (d) to Bank's regulators or as otherwise required in connection with Bank's examination or audit; (e) as Bank considers appropriate in exercising remedies under the Loan Documents; and (f) to third-party service providers of Bank so long as such service providers have executed a confidentiality agreement with Bank with terms no less restrictive than those contained herein. Confidential information does not include information that is: (i) either in the public domain other than as a result of Bank's breach of this section or is in Bank's possession when disclosed to Bank; or (ii) disclosed to Bank by a third party on a nonconfidential basis if Bank does not know that the third party is prohibited from disclosing the information.

Bank Entities may use the confidential information for reporting purposes and the development and distribution of databases and market analyses so long as such confidential information is aggregated and anonymized prior to distribution unless otherwise expressly prohibited by Borrower. The provisions of the immediately preceding sentence shall survive the termination of this Agreement.

12.11 Electronic Execution of Documents. The words "execution," "signed," "signature" and words of like import in any Loan Document shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity and enforceability as a manually executed signature or the use of a paper-based recordkeeping systems, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act.

12.12 Captions. The headings used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

12.13 Construction of Agreement. The parties mutually acknowledge that they and their attorneys have participated in the preparation and negotiation of this Agreement. In cases of uncertainty this Agreement shall be construed without regard to which of the parties caused the uncertainty to exist.

12.14 Relationship. The relationship of the parties to this Agreement is determined solely by the provisions of this Agreement. The parties do not intend to create any agency, partnership, joint venture, trust, fiduciary or other relationship with duties or incidents different from those of parties to an arm's-length contract.

12.15 Third Parties. Nothing in this Agreement, whether express or implied, is intended to: (a) confer any benefits, rights or remedies under or by reason of this Agreement on any persons other than the express parties to it and their respective permitted successors and assigns; (b) relieve or discharge the obligation or liability of any person not an express party to this Agreement; or (c) give any person not an express party to this Agreement any right of subrogation or action against any party to this Agreement.

12.16 Effect of Amendment and Restatement. Except as otherwise set forth herein, this Agreement is intended to and does completely amend and restate, without novation, the Original Agreement. All security interests granted under the Original Agreement are hereby confirmed and ratified and shall continue to secure all Obligations under this Agreement.

12.17 Termination. Upon (a) the payment in full in cash of the Obligations (including the Early Termination Fee but excluding inchoate indemnity obligations or obligations which by their terms specifically survive termination) and (b) Borrower providing at least five (5) Business Days prior written notice to Bank, Borrower may terminate this Agreement, provided that any of Borrower's obligations that specifically survive termination pursuant to the terms hereof shall survive any such termination.

13. DEFINITIONS

13.1 Definitions. As used in the Loan Documents, the word "shall" is mandatory, the word "may" is permissive, the word "or" is not exclusive, the words "includes" and "including" are not limiting, the singular includes the plural, and numbers denoting amounts that are set off in brackets are negative. As used in this Agreement, the following capitalized terms have the following meanings:

"**Account**" is any "account" as defined in the Code with such additions to such term as may hereafter be made, and includes, without limitation, all accounts receivable and other sums owing to Borrower.

"**Account Advance Maturity Date**" is April 3, 2014.

"**Account Debtor**" is as defined in the Code and shall include, without limitation, any person liable on any Financed Receivable, such as, a guarantor of the Financed Receivable and any issuer of a letter of credit or banker's acceptance.

“**Adjustments**” are all discounts, allowances, returns, recoveries, disputes, claims of any kind (including, without limitation, counterclaims or warranty claims), offsets, defenses, rights of recoupment, rights of return, or short payments, asserted by or on behalf of any Account Debtor for any Financed Receivable.

“**Advance**” is defined in Section 2.1.1 of this Agreement.

“**Advance Rate**” is eighty percent (80.0%), net of any offsets related to each specific Account Debtor, or such other percentage as Bank establishes under Section 2.1.1 of this Agreement.

“**Advance Request and Invoice Transmittal**” shows Eligible Accounts and/or Aggregate Eligible Accounts which Bank may finance and, for each such Account, includes the Account Debtor’s, name, address, invoice amount, invoice date and invoice number.

“**Affiliate**” of any Person is a Person that owns or controls directly or indirectly the Person, any Person that controls or is controlled by or is under common control with the Person, and each of that Person’s senior executive officers, directors, partners, and, for any Person that is a limited liability company, that Person’s managers and members.

“**Aggregate Eligible Accounts**” is defined in Section 2.1.1.

“**Aggregate Eligible Accounts Availability Amount**” is the lesser of (a) Three Million Dollars (\$3,000,000) or (b) the Borrowing Base.

“**Agreement**” is defined in the preamble of this Agreement.

“**Applicable Rate**” is a per annum rate equal to the Prime Rate plus one and one quarter percent (1.25%).

“**Bank**” is defined in the preamble of this Agreement.

“**Bank Entities**” is defined in Section 12.10 of this Agreement.

“**Bank Expenses**” are all audit fees and expenses, costs, and expenses (including reasonable attorneys’ fees and expenses) for preparing, amending, negotiating, administering, defending and enforcing the Loan Documents (including, without limitation, those incurred in connection with appeals or Insolvency Proceedings) or otherwise incurred with respect to Borrower.

“**Bank Services**” are any products, credit services, and/or financial accommodations previously, now, or hereafter provided to Borrower or any of its Subsidiaries by Bank or any Bank Affiliate, including, without limitation, any letters of credit, cash management services (including, without limitation, merchant services, direct deposit of payroll, business credit cards, and check cashing services), interest rate swap arrangements, and foreign exchange services as any such products or services may be identified in Bank’s various agreements related thereto (each, a “**Bank Services Agreement**”).

“**Borrower**” is defined in the preamble of this Agreement.

“**Borrowing Base**” is the result of the Advance Rate multiplied by the face amount of the Eligible Accounts.

“**Borrowing Base Certificate**” is that certain certificate in the form attached hereto as Exhibit D.

“**Borrower’s Books**” are all Borrower’s books and records including ledgers, federal and state tax returns, records regarding Borrower’s assets or liabilities, the Collateral, business operations or financial condition, and all computer programs or storage or any equipment containing such information.

“**Borrowing Resolutions**” are, with respect to any Person, those resolutions substantially in the form attached hereto as Exhibit E.

“**Business Day**” is any day that is not a Saturday, Sunday or a day on which Bank is closed.

“**Cash Equivalents**” means (a) marketable direct obligations issued or unconditionally guaranteed by the United States or any agency or any State thereof having maturities of not more than one (1) year from the date of acquisition; (b) commercial paper maturing no more than one (1) year after its creation and having a rating of at least A-1 or the equivalent thereof by Standard & Poor’s Ratings Group or a rating of P-1 or the equivalent thereof by Moody’s Investors Service, Inc.; (c) Bank’s certificates of deposit issued maturing no more than one (1) year after issue; and (d) money market funds at least ninety-five percent (95%) of the assets of which constitute Cash Equivalents of the kinds described in clauses (a) through (c) of this definition.

“**Change in Control**” means any event, transaction, or occurrence as a result of which (a) any “person” (as such term is defined in Sections 3(a)(9) and 13(d)(3) of the Exchange Act), other than a trustee or other fiduciary holding securities under an employee benefit plan of Borrower, is or becomes a beneficial owner (within the meaning Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, of securities of Borrower, representing forty-nine percent (49%) or more of the combined voting power of Borrower’s then outstanding securities; or (b) during any period of twelve consecutive calendar months, individuals who at the beginning of such period constituted the Board of Directors of Borrower (together with any new directors whose election by the Board of Directors of Borrower was approved by a vote of not less than two-thirds of the directors then still in office who either were directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason other than death or disability to constitute a majority of the directors then in office.

“**Claims**” is defined in Section 12.2 of this Agreement.

“**Code**” is the Uniform Commercial Code, as the same may, from time to time, be enacted and in effect in the State of California; provided, that, to the extent that the Code is used to define any term herein or in any Loan Document and such term is defined differently in different Articles or Divisions of the Code, the definition of such term contained in Article or

Division 9 shall govern; provided further, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, or priority of, or remedies with respect to, Bank's Lien on any Collateral is governed by the Uniform Commercial Code in effect in a jurisdiction other than the State of California, the term "Code" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority, or remedies and for purposes of definitions relating to such provisions.

"**Collateral**" is any and all properties, rights and assets of Borrower described on Exhibit A.

"**Collateral Account**" is any Deposit Account, Securities Account, or Commodity Account.

"**Collateral Handling Fee**" is defined in Section 2.6 of this Agreement.

"**Collections**" are all funds received by Bank from or on behalf of an Account Debtor for Financed Receivables.

"**Commodity Account**" is any "commodity account" as defined in the Code with such additions to such term as may hereafter be made.

"**Compliance Certificate**" is attached hereto as Exhibit B.

"**Contingent Obligation**" is, for any Person, any direct or indirect liability, contingent or not, of that Person for (a) any indebtedness, lease, dividend, letter of credit or other obligation of another such as an obligation directly or indirectly guaranteed, endorsed, co-made, discounted or sold with recourse by that Person, or for which that Person is directly or indirectly liable; (b) any obligations for undrawn letters of credit for the account of that Person; and (c) all obligations from any interest rate, currency or commodity swap agreement, interest rate cap or collar agreement, or other agreement or arrangement designated to protect a Person against fluctuation in interest rates, currency exchange rates or commodity prices; but "Contingent Obligation" does not include endorsements in the ordinary course of business. The amount of a Contingent Obligation is the stated or determined amount of the primary obligation for which the Contingent Obligation is made or, if not determinable, the maximum reasonably anticipated liability for it determined by the Person in good faith; but the amount may not exceed the maximum of the obligations under any guarantee or other support arrangement.

"**Control Agreement**" is any control agreement entered into among the depository institution at which Borrower maintains a Deposit Account or the securities intermediary or commodity intermediary at which Borrower maintains a Securities Account or a Commodity Account, Borrower, and Bank pursuant to which Bank obtains control (within the meaning of the Code) over such Collateral Account.

"**Copyrights**" are any and all copyright rights, copyright applications, copyright registrations and like protections in each work or authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret.

“**Credit Extension**” is any Advance or any other extension of credit by Bank for Borrower’s benefit under this Agreement.

“**Deferred Revenue**” is all amounts received or invoiced, as appropriate, in advance of performance under contracts and not yet recognized as revenue.

“**Deposit Account**” is any “deposit account” as defined in the Code with such additions to such term as may hereafter be made.

“**Designated Deposit Account**” is Borrower’s deposit account number 3300619641 maintained with Bank.

“**Dollars**,” “**dollars**” or use of the sign “**\$**” means only lawful money of the United States and not any other currency, regardless of whether that currency uses the “**\$**” sign to denote its currency or may be readily converted into lawful money of the United States.

“**Early Termination Fee**” is defined in Section 2.1.1(f) of this Agreement.

“**Effective Date**” is defined in the preamble of this Agreement.

“**Eligible Accounts**” are billed Accounts in the ordinary course of Borrower’s business that meet all Borrower’s representations and warranties in Section 5.3 of this Agreement, have been, at the option of Bank, confirmed in accordance with Section 2.1.1(d) of this Agreement, and are due and owing from Account Debtors deemed creditworthy by Bank in its sole discretion. Without limiting the fact that the determination of which Accounts are eligible hereunder is a matter of Bank discretion in each instance, Eligible Accounts shall not include the following Accounts (which listing may be amended or changed in Bank’s discretion with notice to Borrower):

- (a) Accounts for which the Account Debtor is Borrower’s Affiliate, officer, employee, or agent;
- (b) Accounts that the Account Debtor has not paid within ninety (90) days of invoice date regardless of invoice payment period terms;
- (c) Accounts owing from an Account Debtor which does not have its principal place of business in the United States; unless otherwise approved by Bank in writing on a case-by-case basis in its sole discretion;
- (d) Accounts billed and/or payable outside of the United States, unless otherwise approved by Bank in writing on a case-by-case basis in its sole discretion;
- (e) Accounts owing from an Account Debtor to the extent that Borrower is indebted or obligated in any manner to the Account Debtor (as creditor, lessor, supplier or otherwise - sometimes called “contra” accounts, accounts payable, customer deposits or credit accounts), with the exception of customary credits, adjustments and/or discounts given to an Account Debtor by Borrower in the ordinary course of its business but only to the extent so indebted or obligated;

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- (f) Accounts owing from an Account Debtor which is a United States government entity or any department, agency, or instrumentality thereof unless Borrower has assigned its payment rights to Bank and the assignment has been acknowledged under the Federal Assignment of Claims Act of 1940, as amended;
- (g) Accounts for demonstration or promotional equipment, or in which goods are consigned, or sold on a “sale guaranteed”, “sale or return”, “sale on approval”, or other terms if Account Debtor’s payment may be conditional;
- (h) Accounts owing from an Account Debtor where goods or services have not yet been rendered to the Account Debtor (sometimes called memo billings or pre-billings);
- (i) Accounts subject to contractual arrangements between Borrower and an Account Debtor where payments shall be scheduled or due according to completion or fulfillment requirements where the Account Debtor has a right of offset for damages suffered as a result of Borrower’s failure to perform in accordance with the contract (sometimes called contracts accounts receivable, progress billings, milestone billings, or fulfillment contracts) but only to the extent of such offsets;
- (j) Accounts owing from an Account Debtor the amount of which may be subject to withholding based on the Account Debtor’s satisfaction of Borrower’s complete performance (but only to the extent of the amount withheld; sometimes called retainage billings);
- (k) Accounts subject to trust provisions, subrogation rights of a bonding company, or a statutory trust;
- (l) Accounts owing from an Account Debtor that has been invoiced for goods that have not been shipped to the Account Debtor unless Bank, Borrower, and the Account Debtor have entered into an agreement acceptable to Bank in its sole discretion wherein the Account Debtor acknowledges that (i) it has title to and has ownership of the goods wherever located, (ii) a bona fide sale of the goods has occurred, and (iii) it owes payment for such goods in accordance with invoices from Borrower (sometimes called “bill and hold” accounts);
- (m) Accounts for which the Account Debtor has not been invoiced;
- (n) Accounts that represent non-trade receivables or that are derived by means other than in the ordinary course of Borrower’s business;
- (o) Accounts subject to chargebacks or other payment deductions taken by an Account Debtor but only to the extent the chargeback is determined invalid and subsequently collected by Borrower;
- (p) Accounts arising from product returns and/or exchanges (sometimes called “warranty” or “RMA” accounts);
- (q) Accounts in which the Account Debtor disputes liability or makes any claim (but only up to the disputed or claimed amount), or if the Account Debtor is subject to an Insolvency Proceeding, or becomes insolvent, or goes out of business;

(r) Accounts owing from an Account Debtor with respect to which Borrower has received Deferred Revenue (but only to the extent of such Deferred Revenue); and

(s) Accounts for which Bank in its good faith business judgment determines collection to be doubtful, including, without limitation, accounts represented by “refreshed” or “recycled” invoices.

“**Equipment**” is all “equipment” as defined in the Code with such additions to such term as may hereafter be made, and includes without limitation all machinery, fixtures, goods, vehicles (including motor vehicles and trailers), and any interest in any of the foregoing.

“**ERISA**” is the Employee Retirement Income Security Act of 1974, and its regulations.

“**Events of Default**” are set forth in Section 7.9 of this Agreement.

“**Exchange Act**” is the Securities Exchange Act of 1934, as amended.

“**Facility Amount**” is Three Million Seven Hundred Fifty Thousand Dollars (\$3,750,000).

“**Facility Fee**” is defined in Section 2.4 of this Agreement.

“**Finance Charges**” is defined in Section 2.5 of this Agreement.

“**Financed Receivables**” are all those Eligible Accounts and Aggregate Eligible Accounts, including their proceeds which Bank finances and makes an Advance, as set forth in Section 2.1.1. A Financed Receivable stops being a Financed Receivable (but remains Collateral) when the Advance made for the Financed Receivable has been fully paid.

“**Financed Receivable Balance**” is the total outstanding gross face amount, at any time, of any Financed Receivable.

“**Funding Date**” is any date which a Credit Extension is made to or on account of Borrower which shall be a Business Day.

“**FX Contract**” is any foreign exchange contract by and between Borrower and Bank under which Borrower commits to purchase from or sell to Bank a specific amount of Foreign Currency on a specified date.

“**GAAP**” is generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other Person as may be approved by a significant segment of the accounting profession, which are applicable to the circumstances as of the date of determination.

“**Governmental Approval**” is any consent, authorization, approval, order, license, franchise, permit, certificate, accreditation, registration, filing or notice, of, issued by, from or to, or other act by or in respect of, any Governmental Authority.

“**Governmental Authority**” is any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization.

“**Indebtedness**” is (a) indebtedness for borrowed money or the deferred price of property or services, such as reimbursement and other obligations for surety bonds and letters of credit, (b) obligations evidenced by notes, bonds, debentures or similar instruments, (c) capital lease obligations and (d) Contingent Obligations.

“**Indemnified Person**” is defined in Section 12.2 of this Agreement.

“**Insolvency Proceeding**” is any proceeding by or against any Person under the United States Bankruptcy Code, or any other bankruptcy or insolvency law, including assignments for the benefit of creditors, compositions, extensions generally with its creditors, or proceedings seeking reorganization, arrangement, or other relief.

“**Intellectual Property**” means all of Borrower’s right, title, and interest in and to the following:

(t) its Copyrights, Trademarks and Patents;

(u) any and all trade secrets and trade secret rights, including, without limitation, any rights to unpatented inventions, know-how, operating manuals;

(v) any and all source code;

(w) any and all design rights which may be available to a Borrower;

(x) any and all claims for damages by way of past, present and future infringement of any of the foregoing, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the Intellectual Property rights identified above; and

(y) all amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents.

“**Inventory**” is all “inventory” as defined in the Code in effect on the Effective Date with such additions to such term as may hereafter be made, and includes without limitation all merchandise, raw materials, parts, supplies, packing and shipping materials, work in process and finished products, including without limitation such inventory as is temporarily out of Borrower’s custody or possession or in transit and including any returned goods and any documents of title representing any of the above.

“**Investment**” is any beneficial ownership of (including stock, partnership interest or other securities) any Person, or any loan, advance or capital contribution to any Person.

“**Invoice Transmittal**” shows Eligible Accounts which Bank may finance and, for each such Account, includes the Account Debtor’s, name, address, invoice amount, invoice date and invoice number.

“**Letter of Credit**” is a standby or commercial letter of credit issued by Bank upon request of Borrower based upon an application, guarantee, indemnity, or similar agreement.

“**Lien**” is a claim, mortgage, deed of trust, levy, charge, pledge, security interest or other encumbrance of any kind, whether voluntarily incurred or arising by operation of law or otherwise against any property.

“**Liquidity Ratio**” is a ratio of (i) unrestricted cash and Cash Equivalents held at Bank plus net Accounts receivable (determined in accordance with GAAP) to (ii) all Indebtedness owing from Borrower to Bank with respect to the outstanding Advances.

“**Loan Documents**” are, collectively, this Agreement, the Perfection Certificate, any Banks Services Agreement, the Subordination Agreement, the Borrowing Resolutions, any note, or notes or guaranties executed by Borrower and/or any Guarantor, and any other present or future agreement between Borrower any Guarantor and/or for the benefit of Bank in connection with this Agreement, all as amended, restated, or otherwise modified.

“**Lockbox**” is defined in Section 2.9 of this Agreement.

“**Material Adverse Change**” is: (a) a material impairment in the perfection or priority of Bank’s Lien in the Collateral or in the value of such Collateral; (b) a material adverse change in the business, operations, or condition (financial or otherwise) of Borrower; or (c) a material impairment of the prospect of repayment of any portion of the Obligations.

“**Minimum Finance Charge**” is One Thousand Five Hundred Dollars (\$1,500).

“**Obligations**” are Borrower’s obligations to pay when due any debts, principal, interest, Bank Expenses and other amounts Borrower owes Bank now or later, whether under this Agreement, the Loan Documents or otherwise, including, without limitation, any interest accruing after Insolvency Proceedings begin and debts, liabilities, or obligations of Borrower assigned to Bank, and to perform Borrower’s duties under the Loan Documents.

“**Operating Documents**” are, for any Person, such Person’s formation documents, as certified with the Secretary of State of such Person’s state of formation on a date that is no earlier than 30 days prior to the Effective Date, and, (a) if such Person is a corporation, its bylaws in current form, (b) if such Person is a limited liability company, its limited liability company agreement (or similar agreement), and (c) if such Person is a partnership, its partnership agreement (or similar agreement), each of the foregoing with all current amendments or modifications thereto.

“**Patents**” means all patents, patent applications and like protections including without limitation improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same.

“**Perfection Certificate**” is defined in Section 5.1 of this Agreement.

“**Permitted Indebtedness**” is:

- (a) Borrower’s Indebtedness to Bank under this Agreement or the Loan Documents;
- (b) Subordinated Debt;
- (c) Unsecured Indebtedness to trade creditors incurred in the ordinary course of business; and
- (d) Indebtedness secured by Permitted Liens;
- (e) Unsecured convertible Indebtedness in an amount not to exceed Nine Hundred Ten Thousand Dollars (\$910,000);
- (f) Indebtedness incurred as a result of endorsing negotiable instruments received in the ordinary course of business; and

(g) extensions, refinancings, modifications, amendments and restatements of any items of Permitted Indebtedness (a) through (e) above, provided that the principal amount thereof is not increased or the terms thereof are not modified to impose more burdensome terms upon Borrower or its Subsidiary, as the case may be.

“**Permitted Investments**” are: (i) marketable direct obligations issued or unconditionally guaranteed by the United States or its agency or any state maturing within 1 year from its acquisition, (ii) commercial paper maturing no more than 1 year after its creation and having the highest rating from either Standard & Poor’s Corporation or Moody’s Investors Service, Inc., (iii) Bank’s certificates of deposit issued maturing no more than 1 year after issue, (iv) any other investments administered through Bank, and (v) Cash Equivalents.

“**Permitted Liens**” are:

- (a) Liens arising under this Agreement or other Loan Documents;
- (b) Liens for taxes, fees, assessments or other government charges or levies, either not delinquent or being contested in good faith and for which Borrower maintains adequate reserves on its Books, if they have no priority over any of Bank’s security interests;
- (c) Purchase money Liens securing no more than Two Hundred Fifty Thousand Dollars (\$250,000) in the aggregate amount outstanding (i) on equipment acquired or held by Borrower incurred for financing the acquisition of the equipment, or (ii) existing on

equipment when acquired, if the Lien is confined to the property and improvements and the proceeds of the equipment;

(d) Liens of carriers, warehousemen, suppliers, or other Persons that are possessory in nature arising in the ordinary course of business;

(e) Liens to secure payment of workers' compensation, employment insurance, old-age pensions, social security and other like obligations incurred in the ordinary course of business (other than Liens imposed by ERISA);

(f) leases or subleases of real property granted in the ordinary course of Borrower's business (or, if referring to another Person, in the ordinary course of such Person's business), and leases, subleases, non-exclusive licenses or sublicenses of personal property (other than Intellectual Property) granted in the ordinary course of Borrower's business (or, if referring to another Person, in the ordinary course of such Person's business), if the leases, subleases, licenses and sublicenses do not prohibit granting Bank a security interest therein;

(g) non-exclusive licenses of Intellectual Property or other property granted to third parties in the ordinary course of business, and (ii) licenses of Intellectual Property or property that could not result in a legal transfer of title of the licensed property that may be exclusive in respects other than territory and that may be exclusive as to territory only as to discreet geographical areas outside of the United States; and

(h) Liens incurred in the extension, renewal or refinancing of the indebtedness secured by Liens described in (a) through (g), but any extension, renewal or replacement Lien must be limited to the property encumbered by the existing Lien and the principal amount of the indebtedness may not increase.

“**Person**” is any individual, sole proprietorship, partnership, limited liability company, joint venture, company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, firm, joint stock company, estate, entity or government agency.

“**Prime Rate**” is Bank's most recently announced “prime rate,” even if it is not Bank's lowest rate.

“**Reconciliation Period**” is each calendar month.

“**Registered Organization**” is any “registered organization” as defined in the Code with such additions to such term as may hereafter be made.

“**Requirement of Law**” is as to any Person, the organizational or governing documents of such Person, and any law (statutory or common), treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“**Responsible Officer**” is any of the Chief Executive Officer, President, Chief Financial Officer and Controller of Borrower.

“**Restricted License**” is any material license or other material agreement with [Illegible] which Borrower is the licensee that prohibits or otherwise restricts Borrower from granting a security interest in Borrower’s interest in such license or agreement or any other property in connection thereto.

“**SEC**” shall mean the Securities and Exchange Commission, any successor thereto, and any analogous Governmental Authority.

“**Securities Account**” is any “securities account” as defined in the Code with such additions to such term as may hereafter be made.

“**Streamline Period**” means any period of time where Borrower maintained a Liquidity Ratio greater than or equal to 1.25 to 1.00 at all times during the prior three (3) Reconciliation Periods; provided that any Streamline Period shall immediately terminate upon the occurrence of an Event of Default and no new Streamline Period shall begin until Borrower has maintained a Liquidity Ratio of at least 1.25 to 1.00 at all times for three (3) consecutive Reconciliation Periods thereafter.

“**Subordinated Debt**” is indebtedness incurred by Borrower subordinated to all of Borrower’s now or hereafter indebtedness to Bank (pursuant to a subordination, intercreditor, or other similar agreement in form and substance satisfactory to Bank entered into between Bank and the other creditor), on terms acceptable to Bank.

“**Subordination Agreement**” means that certain Amended and Restated Subordination Agreement executed by each holder of Subordinated Debt in favor of Bank dated as of the Effective Date.

“**Subsidiary**” is, as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless the context otherwise requires, each reference to a Subsidiary herein shall be a reference to a Subsidiary of Borrower.

“**Trademarks**” means any trademark and servicemark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of Borrower connected with and symbolized by such trademarks.

“**Transfer**” is defined in Section 7.1 of this Agreement.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date.

BORROWER

AIRGAIN, INC.

By: /s/ Chuck Myers
Name: Chuck Myers
Title: CEO

BANK

SILICON VALLEY BANK

By: /s/ Kadie Bostic
Name: Kadie Bostic
Title: Relationship Manager

**FIRST AMENDMENT
TO
AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT**

THIS **FIRST AMENDMENT** to Amended and Restated Loan and Security Agreement (this "Amendment") is entered into this 12 day of December, 2013, by and between **SILICON VALLEY BANK** ("Bank") and **AIRGAIN, INC.**, a California corporation ("Borrower").

RECITALS

A. Bank and Borrower have entered into that certain Amended and Restated Loan and Security Agreement dated as of May 21, 2012 (as the same may from time to time be amended, modified, supplemented or restated, the "Loan Agreement").

B. Bank has extended credit to Borrower for the purposes permitted in the Loan Agreement.

C. Borrower has requested that Bank amend the Loan Agreement as more fully set forth herein.

D. Bank has agreed to so amend certain provisions of the Loan Agreement, but only to the extent, in accordance with the terms, subject to the conditions and in reliance upon the representations and warranties set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. Definitions. Capitalized terms used but not defined in this Amendment shall have the meanings given to them in the Loan Agreement.

2. Amendments to Loan Agreement.

2.1 Section 2.1.2 (Growth Capital Advances). New Section 2.1.2 hereby is added to the Loan Agreement as follows:

"2.1.2 Growth Capital Advances.

(a) Availability. Subject to the terms and conditions of this Agreement, Borrower may request that Bank make certain growth capital advances (each a "**Growth Capital Advance**" and, collectively, the "**Growth Capital Advances**") available to Borrower until the Growth Capital Commitment Date, in an aggregate amount not to exceed the Growth Capital Commitment; provided that Bank shall make an initial Growth Capital Advance

on the First Amendment Effective Date, or as soon thereafter as is practical. Each Growth Capital Advance, other than the final Growth Capital Advance, must be in an amount of not less than Two Hundred Fifty Thousand Dollars (\$250,000). After repayment, no Growth Capital Advance may be reborrowed.

(b) Procedures for Borrowing. Borrower will deliver a completed Payment/Advance Form with each request for a Growth Capital Advance. On the Funding Date, if Borrower satisfies the conditions hereunder, Bank shall disburse such Growth Capital Advance by transfer to the Designated Deposit Account. Bank may rely on information set forth in, or provided with, the Payment/Advance Form. Bank may make the Growth Capital Advance under this Agreement based on instructions from a Responsible Officer or his or her designee. Bank may rely on any telephone notice given by a person whom Bank reasonably believes is a Responsible Officer or designee. Borrower shall indemnify Bank for any loss Bank suffers due to such reliance.

(c) Repayment.

(i) Interest Only Payments. For each Growth Capital Advance, Borrower shall make monthly payments of interest-only commencing on the first (1st) day of the first (1st) month following the month in which the Funding Date occurs with respect to a Growth Capital Advance and continuing thereafter during the Interest-Only Period on the first (1st) day of each successive month (each an “**Interest-Only Payment Date**”).

(ii) Principal and Interest Payments. For each Growth Capital Advance, Borrower shall make consecutive equal monthly payments of principal and interest each in an amount which would fully amortize the outstanding Growth Capital Advances, as of the Conversion Date, over the Growth Capital Repayment Period (the “**Growth Capital Scheduled Payment**”), which payment shall commence on the first (1st) day of the first (1st) month after the Interest-Only Period (the “**Conversion Date**”). All unpaid principal and accrued and unpaid interest on the Growth Capital Advances is due and payable in full on the Growth Capital Maturity Date.

(d) Prepayment.

(i) Mandatory Prepayment Upon an Acceleration. If the Growth Capital Advances are accelerated following the occurrence and during the continuance of an Event of Default, Borrower shall immediately pay to Bank an amount

equal to the sum of (i) all outstanding principal, plus accrued and unpaid interest thereon and (ii) all other sums, if any, that shall have become due and payable hereunder in connection with the Growth Capital Advances.

(ii) Permitted Prepayment. So long as no Event of Default has occurred and is continuing, Borrower shall have the option to prepay in whole or in part any Growth Capital Advance advanced by Bank under this Agreement, provided Borrower (i) delivers written notice to Bank of its election to prepay the Growth Capital Advance at least thirty (30) days prior to such prepayment, and (ii) pays, on the date of such prepayment (a) all outstanding principal, plus accrued and unpaid interest with respect to the prepaid Growth Capital Advance and (b) all other sums, if any, that shall have become due and payable hereunder in connection with the prepaid Growth Capital Advance. Any partial prepayment of a Growth Capital Advance paid by Borrower shall be applied to prepay amounts owing for such Growth Capital Advance in inverse order of maturity.

(e) Interest on the Growth Capital Advances. Subject to Section 2.1.2(f), the principal amount outstanding for each Growth Capital Advance shall accrue interest at a fixed per annum rate equal to six and one half of one percentage points (6.50%), which interest shall be payable monthly.

(f) Default Rate. Immediately upon the occurrence and during the continuance of an Event of Default, Obligations shall bear interest at a rate per annum which is five percentage points (5.00%) above the rate that is otherwise applicable thereto (the "Growth Capital Default Rate") unless the Bank otherwise elects from time to time in its sole discretion to impose a smaller increase. Fees and expenses which are required to be paid by Borrower pursuant to the Loan Documents (including, without limitation, Bank Expenses) but are not paid when due shall bear interest until paid at a rate equal to the highest rate applicable to the Growth Capital Advances. Payment or acceptance of the increased interest rate provided in this Section 2.1.2(f) is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of Bank.

(g) Intentionally Omitted.

(h) Computation: 360-Day Year. In computing interest for Growth Capital Advances, the Funding Date shall be included and the date of payment shall be excluded; provided, however, that

if any Growth Capital Advance is repaid on the same day on which it is made, such day shall be included in computing interest on such Growth Capital Advance. Interest shall be computed on the basis of a 360-day year for the actual number of days elapsed.

(i) Debit of Accounts. For each Growth Capital Scheduled Payment, Bank may debit any of Borrower's deposit accounts, including the Designated Deposit Account, for principal and interest payments or any other amounts Borrower owes Bank when due. These debits shall not constitute a set-off.

(j) Interest Payment Date. Unless otherwise provided, interest is payable monthly on the first (1st) calendar day of each month.

(k) Payments: Application of Payments.

(i) All payments (including prepayments) to be made by Borrower in connection with the Growth Capital Advances under any Loan Document shall be made in immediately available funds in U.S. Dollars, without setoff or counterclaim, before 12:00 p.m. Pacific time on the date when due. Payments of principal and/or interest received after 12:00 p.m. Pacific time are considered received at the opening of business on the next Business Day. When a payment is due on a day that is not a Business Day, the payment shall be due the next Business Day, and additional fees or interest, as applicable, shall continue to accrue until paid.

(ii) Borrower shall have no right to specify the order or the accounts to which Bank shall allocate or apply any payments required to be made by Borrower to Bank or otherwise received by Bank under this Agreement in connection with the Growth Capital Advances when any such allocation or application is not specified elsewhere in this Agreement.”

2.2 Section 2.5 (Finance Charges). Section 2.5 of the Loan Agreement hereby is amended and restated in its entirety to read as follows:

“**2.5 Finance Charges**. In computing Finance Charges on the Obligations under this Agreement, all Collections received by Bank shall be deemed applied by Bank on account of the Obligations three (3) Business Days after receipt of the Collections. Borrower will pay a finance charge (the “**Finance Charge**”) on (x) if a Streamline Period is in effect, the Net Financed Receivable Balance which is equal to the Applicable Rate divided by 360 multiplied by the number of days each such

Financed Receivable is outstanding multiplied by the outstanding Net Financed Receivable Balance, or (y) if a Streamline Period is not in effect, the Financed Receivable Balance which is equal to the Applicable Rate divided by 360 multiplied by the number of days each such Financed Receivable is outstanding multiplied by the outstanding Financed Receivable Balance. The Finance Charge is payable in accordance with Section 2.11 of this Agreement. Upon the occurrence of an Event of Default that continues, the Applicable Rate will increase an additional five percent (5.0%) per annum.

Unless a Streamline Period is in effect, in the event that the aggregate amount of Finance Charges earned by Bank in any Reconciliation Period is less than the Minimum Finance Charge, Borrower shall pay to Bank an additional Finance Charge equal to (i) the Minimum Finance Charge minus (ii) the aggregate amount of all Finance Charges earned by Bank in such Reconciliation Period. Such additional Finance Charge shall be payable on the first day of the next Reconciliation Period.”

2.3 Section 2.6 (Collateral Handling Fee). Section 2.6 of the Loan Agreement hereby is amended and restated in its entirety to read as follows:

“**2.6 Intentionally Omitted.**”

2.4 Section 6.2 (Financial Statements, Reports, Certificates). Effective as of June 29, 2013, Section 6.2(a)(ii) of the Loan Agreement hereby is amended and restated in its entirety to read as follows:

“(ii) as soon as available, but no later than one hundred eighty (180) days after the last day of Borrower’s fiscal year, audited consolidated financial statements prepared under GAAP, consistently applied, together with an unqualified opinion on the financial statements from an independent certified public accounting firm reasonably acceptable to Bank (collectively, “**Annual Audited Financials**”); provided, however, Borrower may deliver Annual Audited Financials with respect to its 2012 fiscal year by January 31, 2014;”

2.5 Section 6.7 (Intentionally Omitted). Section 6.7 of the Loan Agreement hereby is amended and restated in its entirety to read as follows:

“**6.7 Liquidity Ratio.** Effective until all Obligations owing under the Growth Capital Advances are repaid in full in cash and Bank no longer has any obligation to make Growth Capital Advances under the Loan Agreement, Borrower shall maintain at all times, measured as of the last day of each month, a

Liquidity Ratio of not less than 1.00 to 1.00.”

2.6 Section 13 (Definitions). The following terms and their respective definitions set forth in Section 13.1 of the Loan Agreement hereby are added, or amended and restated, as follows;

“**Account Advance Maturity Date**” is April 3, 2016.

“**Applicable Rate**” is a per annum rate equal to (i) when a Streamline Period is in effect, the Prime Rate plus one percentage point (1.00%) and (ii) when a Streamline Period is not in effect, the Prime Rate plus two and one half of one percentage points (2.50%).

“**Conversion Date**” is defined in Section 2.1.2(c)(ii).

“**Credit Extension**” is any Advance, any Growth Capital Advance or any other extension of credit by Bank for Borrower’s benefit under this Agreement.

“**Facility Amount**” is Three Million Dollars (\$3,000,000).

“**First Amendment Effective Date**” is December , 2013.

“**Growth Capital Advance**” is defined in Section 2.1.2(a) of this Agreement.

“**Growth Capital Commitment**” is Seven Hundred Fifty Thousand Dollars (\$750,000).

“**Growth Capital Commitment Date**” is March 31, 2014.

“**Growth Capital Default Rate**” is defined in Section 2.1.2(f) of this Agreement.

“**Growth Capital Maturity Date**” is February 1, 2017.

“**Growth Capital Repayment Period**” is a period of time equal to thirty two (32) consecutive months.

“**Growth Capital Scheduled Payment**” is defined in Section 2.1.2(c)(ii) of this Agreement.

“**Interest-Only Period**” means the period from the First Amendment Effective Date through June 30, 2014.

“**Liquidity Ratio**” is a ratio of (i) unrestricted cash and Cash Equivalents held at Bank plus net Accounts receivable

(determined in accordance with GAAP) to (ii) all Indebtedness owing from Borrower to Bank.

“**Net Financed Receivable Balance**” is the total net amount outstanding, at any time, of any Financed Receivable which is an Eligible Account.

2.7 Section 13 (Definitions). The following defined term set forth in Section 13.1 of the Loan Agreement hereby is deleted in its entirety:

“**Collateral Handling Fee**”

2.8 Exhibit B to the Loan Agreement hereby is replaced with Exhibit B attached hereto.

3. Limitation of Amendments.

3.1 The amendments set forth in **Section 2**, above, are effective for the purposes set forth herein and shall be limited precisely as written and shall not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of any Loan Document, or (b) otherwise prejudice any right or remedy which Bank may now have or may have in the future under or in connection with any Loan Document.

3.2 This Amendment shall be construed in connection with and as part of the Loan Documents and all terms, conditions, representations, warranties, covenants and agreements set forth in the Loan Documents, except as herein amended, are hereby ratified and confirmed and shall remain in full force and effect.

4. Representations and Warranties. To induce Bank to enter into this Amendment, Borrower hereby represents and warrants to Bank as follows:

4.1 Immediately after giving effect to this Amendment (a) the representations and warranties contained in the Loan Documents are true, accurate and complete in all material respects as of the date hereof (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct as of such date), and (b) no Event of Default has occurred and is continuing;

4.2 Borrower has the power and authority to execute and deliver this Amendment and to perform its obligations under the Loan Agreement, as amended by this Amendment;

4.3 The organizational documents of Borrower delivered to Bank on the Effective Date remain true, accurate and complete and have not been amended, supplemented or restated and are and continue to be in full force and effect;

4.4 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, have been duly authorized;

4.5 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not and will not contravene (a) any law or regulation binding on or affecting Borrower, (b) any contractual restriction with a Person binding on Borrower, (c) any order, judgment or decree of any court or other governmental or public body or authority, or subdivision thereof, binding on Borrower, or (d) the organizational documents of Borrower;

4.6 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not require any order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by any governmental or public body or authority, or subdivision thereof, binding on either Borrower, except as already has been obtained or made; and

4.7 This Amendment has been duly executed and delivered by Borrower and is the binding obligation of Borrower, enforceable against Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights.

5. Counterparts. This Amendment may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

6. Effectiveness. This Amendment shall be deemed effective upon (a) the due execution and delivery to Bank of this Amendment by each party hereto, (b) updated Borrowing Resolutions for Borrower and (c) payment of all Bank Expenses incurred through the date of this Amendment, which may be debited from any of Borrower's accounts at Bank.

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the date first written above.

BANK

SILICON VALLEY BANK

By: /s/ Kadie Bostic

Name: Kadie Bostic

Title: VP

BORROWER

AIRGAIN, INC.

By: /s/ Charles A. Myers

Name: Charles A. Myers

Title: CEO

*[Signature Page to First Amendment to Amended and Restated
Loan and Security Agreement]*

KILROY CENTRE DEL MAR

OFFICE LEASE

This Office Lease (the “**Lease**”), dated as of the date set forth in Section 1 of the Summary of Basic Lease Information (the “**Summary**”), below, is made by and between KILROY REALTY, L.P., a Delaware limited partnership (“**Landlord**”), and AIRGAIN, INC., a California corporation (“**Tenant**”).

SUMMARY OF BASIC LEASE INFORMATION

<u>TERMS OF LEASE</u>	<u>DESCRIPTION</u>
1. Date:	June 13, 2013.
2. Premises: (<u>Article 1</u>)	
2.1 Building:	That certain five (5)-story building (the “ Building ”) located at 3611 Valley Centre Drive, San Diego, California 92130, which Building is commonly referred to as “ Building 2 ” within the “ Project ” (defined below).
2.2 Premises:	10,302 rentable (9,502 usable) square feet of space located on the first (1st) floor of the Building and commonly known as Suite 150, as further depicted on <u>Exhibit A</u> to this Lease.
2.3 Project:	The Building is part of an office project known as “ Kilroy Centre Del Mar ,” as further set forth in <u>Section 1.1.2</u> of this Lease.
3. Lease Term (<u>Article 2</u>):	
3.1 Length of Term:	Approximately six (6) years and six (6) months.
3.2 Lease Commencement Date:	The earlier to occur of (i) the date upon which Tenant first commences to conduct business in the Premises, and (ii) December 15, 2013.
3.3 Lease Expiration Date:	The last day of the seventy-eighth (78 th) full calendar month of the Lease Term.
3.4 Option Terms:	Two (2) three (3)-year options to renew, as more particularly set forth in <u>Section 2.2</u> of this Lease.
4. Base Rent (<u>Article 3</u>):	

<u>Period During Lease Term</u>	<u>Annual Base Rent*</u>	<u>Monthly Installment of Base Rent*</u>	<u>Monthly Rental Rate per Rentable Square Foot*</u>
Lease Commencement Date – the last day	\$ 432,684.00 [–]	\$ 36,057.00 [–]	\$ 3.50

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of the full calendar month that is Lease Month 12			
The first (1 st) day of the full calendar month that is Lease Month 13 – the last day of the full calendar month that is Lease Month 24	\$ 447,827.94	\$ 37,319.00	\$ 3.62**
The first (1 st) day of the full calendar month that is Lease Month 25 – the last day of the full calendar month that is Lease Month 36	\$ 463,501.92	\$ 38,625.16	\$ 3.75**
The first (1 st) day of the full calendar month that is Lease Month 37 – the last day of the full calendar month that is Lease Month 48	\$ 479,724.49	\$ 39,977.04	\$ 3.88**
The first (1 st) day of the full calendar month that is Lease Month 49 – the last day of the full calendar month that is Lease Month 60	\$ 496,514.84	\$ 41,376.24	\$ 4.02**
The first (1 st) day of the full calendar month that is Lease Month 61 – the last day of the full calendar month that is Lease Month 72	\$ 513,892.86	\$ 42,824.41	\$ 4.16**
The first (1 st) day of the full calendar month that is Lease Month 73 – Lease Expiration Date	\$ 531,879.11	\$ 44,323.26	\$ 4.30

* The initial Monthly Installment of Base Rent was calculated by multiplying the initial Monthly Rental Rate per Rentable Square Foot by the number of rentable square feet of space in the Premises, and the Annual Installment of Base Rent was calculated by multiplying the corresponding Monthly Installment of Base Rent by twelve (12). In all subsequent Base Rent payment periods during the Lease Term commencing on the first (1st) day of the full calendar month that is Lease Month 13, the calculation of Annual Base Rent (and Monthly Installment of Base Rent) reflects an annual increase of three and one-half percent (3.5%).

Subject to the terms set forth in Section 3.2 below, the Base Rent attributable to the four (4) month period commencing on the first (1st) day of the second (2nd) full calendar month of the Lease Term and ending on the last day of the fifth (5th) full calendar month of the Lease

Term shall be abated.

In addition, subject to the terms set forth in Section 3.3 below, fifty percent (50%) of the Base Rent attributable to the six (6) month period commencing on the first (1st) day of the sixth (6th) full calendar month of the Lease Term and ending on the last day of the eleventh (11th) full calendar month of the Lease Term shall be abated.

** The amounts identified in the column entitled "Monthly Rental Rate per Rentable Square Foot" are estimates and are provided for informational purposes only.

5. Base Year
(Article 4): Calendar year 2014; provided, however, electricity to the Premises is separately metered and directly paid by Tenant to the applicable utility provider or, at Landlord's option, to Landlord.
6. Tenant's Share
(Article 4): Approximately 7.9138%.
7. Permitted Use
(Article 5): Tenant shall use the Premises solely for general office use, research and development engineering uses, customary uses associated with a wireless testing chamber laboratory, and uses incidental thereto (the "**Permitted Use**"); provided, however, that notwithstanding anything to the contrary set forth hereinabove, and as more particularly set forth in the Lease, Tenant shall be responsible for operating and maintaining the Premises pursuant to, and in no event may Tenant's Permitted Use violate, (A) Landlord's "Rules and Regulations," as that term is set forth in Section 5.2 of this Lease, (B) all "Applicable Laws," as that term is set forth in Article 24 of this Lease, (C) all applicable zoning, building codes and the "CC&Rs," as that term is set forth in Section 5.3 of this Lease, and (D) first-class office standards in the market in which the Project is located.
8. Letter of Credit
(Article 21): Two Hundred Fifty Thousand and 00/100 Dollars (\$250,00.00), subject to reduction pursuant to the express terms set forth in Article 21 of this Lease.
9. Parking Pass Ratio
(Article 28): Four (4) unreserved parking passes for every 1,000 rentable square feet of the Premises (i.e., forty-one (41) unreserved parking passes).
10. Address of Tenant
(Section 29.18):

Airgain, Inc.
1930 Palomar Point Way, Suite 107
Carlsbad, California 92008
Attention: Chuck Myers
(Prior to Lease Commencement Date)

and

Airgain, Inc.
3611 Valley Centre Drive, Suite 150
San Diego, California 92130
Attention: Chuck Myers
(After Lease Commencement Date)
11. Address of Landlord

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(Section 29.18):

Kilroy Realty, L.P.
c/o Kilroy Realty Corporation
12200 West Olympic Boulevard, Suite 200
Los Angeles, California 90064
Attention: Legal Department

with copies to:

Kilroy Realty Corporation
12200 West Olympic Boulevard, Suite 200
Los Angeles, California 90064
Attention: Mr. John Fucci

and

Kilroy Realty Corporation
3611 Valley Centre Drive, Suite 550
San Diego, California 92130
Attention: Mr. Brian Galligan

and

Allen Matkins Leck Gamble Mallory & Natsis LLP
1901 Avenue of the Stars, Suite 1800
Los Angeles, California 90067
Attention: Anton N. Natsis, Esq.

12. Brokers
(Section 29.24):

Representing Tenant:

Hughes Marino

13. Improvement Allowance
(Section 2.1 of **Exhibit B**):

Representing Landlord:

CBRE, Inc.

Fifty and 00/100 Dollars (\$50.00) per rentable square foot of the Premises for a total of Five Hundred Fifteen Thousand and 00/100 Dollars (\$515,100.00).

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ARTICLE 1

PREMISES, BUILDING, PROJECT, AND COMMON AREAS

1.1 Premises, Building, Project and Common Areas.

1.1.1 **The Premises.** Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the premises set forth in Section 2.2 of the Summary (the “**Premises**”). The outline of the Premises is set forth in Exhibit A attached hereto and the Premises has the number of rentable square feet as set forth in Section 2.2 of the Summary. The parties hereto agree that the lease of the Premises is upon and subject to the terms, covenants and conditions (the “**TCCs**”) herein set forth, and Tenant covenants as a material part of the consideration for this Lease to keep and perform each and all of such TCCs by it to be kept and performed and that this Lease is made upon the condition of such performance. The parties hereto hereby acknowledge that the purpose of Exhibit A is to show the approximate location of the Premises in the “**Building**,” as that term is defined in Section 1.1.2, below, only, and such Exhibit is not meant to constitute an agreement, representation or warranty as to the construction of the Premises, the precise area thereof or the specific location of the “**Common Areas**,” as that term is defined in Section 1.1.3, below, or the elements thereof or of the accessways to the Premises or the “**Project**,” as that term is defined in Section 1.1.2, below. Except as specifically set forth in this Lease and in the Work Letter attached hereto as Exhibit B (the “**Work Letter**”), Tenant shall accept the Premises in its existing “as-is” condition and Landlord shall not be obligated to provide or pay for any improvement work or services related to the improvement of the Premises. Tenant also acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty regarding the condition of the Premises, the Building or the Project or with respect to the suitability of any of the foregoing for the conduct of Tenant’s business, except as specifically set forth in this Lease and the Work Letter. The taking of possession of the Premises by Tenant shall conclusively establish that the Premises and the Building were at such time in good and sanitary order, condition and repair.

1.1.2 **The Building and the Project.** The Premises is a part of the building set forth in Section 2.1 of the Summary (the “**Building**”). The Building is part of an office project known as “*Kilroy Centre Del Mar*.” The term “**Project**,” as used in this Lease, shall mean (i) the Building and the Common Areas, (ii) the land (which is improved with landscaping, parking structures and/or facilities and other improvements) upon which the Building and the Common Areas are located, (iii) the other buildings located adjacent to the Building and the land upon which such adjacent office buildings are located, and (iv) at Landlord’s discretion, any additional real property, areas, land, buildings or other improvements added thereto.

1.1.3 **Common Areas.** Tenant shall have the non-exclusive right to use in common with other tenants in the Project, and subject to the rules and regulations referred to in Article 5 of this Lease, those portions of the Project which are provided, from time to time, for use in common by Landlord, Tenant and any other tenants of the Project (such areas, together with such other portions of the Project designated by Landlord, in its discretion, including certain areas designated for the exclusive use of certain tenants, or to be shared by Landlord and certain tenants, are collectively referred to herein as the “**Common Areas**”). The Common Areas shall consist of the “**Project Common Areas**” and the “**Building Common Areas**” (as both of those terms are defined below). The term “**Project Common Areas**,” as used in this Lease, shall mean the portion of the Project designated as such by Landlord. The term “**Building Common Areas**,” as used in this Lease, shall mean the portions of the Common Areas located within the Building designated as such by Landlord. The manner in which the Common Areas are maintained and operated shall be at the sole discretion of Landlord and the use thereof shall be subject to such rules, regulations and restrictions as Landlord may make from time to time, provided that such rules, regulations and restrictions do not unreasonably interfere with the rights granted to Tenant under this Lease and the Permitted Use. Landlord reserves the right to close temporarily, make alterations or additions to, or change the location of elements of the Project and the Common Areas; provided that no such changes shall be permitted which materially reduce Tenant’s rights or access hereunder. Except when and where Tenant’s right of access is specifically excluded in this Lease, Tenant shall have the right of access to the Premises, the Building, and the Project parking facility twenty-four (24) hours per day, seven (7) days per week during the “**Lease Term**,” as that term is defined in Section 2.1, below.

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1.2 **Stipulation of Rentable Square Feet of Premises and Building.** For purposes of this Lease, “rentable square feet” and “usable square feet” of the Premises shall be deemed as set forth in Section 2.2 of the Summary and the rentable square feet of the Building shall be deemed as set forth in Section 2.1 of the Summary.

ARTICLE 2

LEASE TERM; OPTION TERM(S)

2.1 **Initial Lease Term.** The TCCs and provisions of this Lease shall be effective as of the date of this Lease. The term of this Lease (the “**Lease Term**”) shall be as set forth in Section 3.1 of the Summary, shall commence on the date set forth in Section 3.2 of the Summary (the “**Lease Commencement Date**”), and shall terminate on the date set forth in Section 3.3 of the Summary (the “**Lease Expiration Date**”) unless this Lease is sooner terminated as hereinafter provided. For purposes of this Lease, the term “**Lease Year**” shall mean each consecutive twelve (12) month period during the Lease Term; provided, however, that the first Lease Year shall commence on the Lease Commencement Date and end on the last day of the month in which the first anniversary of the Lease Commencement Date occurs and the second and each succeeding Lease Year shall commence on the first day of the next calendar month; and further provided that the last Lease Year shall end on the Lease Expiration Date. For purposes of this Lease, the term “**Lease Month**” shall mean each succeeding calendar month during the Lease Term; provided that the first Lease Month shall commence on the Lease Commencement Date and shall end on the last day of the calendar month in which the Lease Commencement Date occurs and that the last Lease Month shall expire on the Lease Expiration Date. At any time during the Lease Term, Landlord may deliver to Tenant a notice in the form as set forth in Exhibit C, attached hereto, as a confirmation only of the information set forth therein, which Tenant shall execute and return to Landlord within five (5) days of receipt thereof.

2.2 Option Terms.

2.2.1 **Option Right.** Landlord hereby grants the tenant originally named herein (the “**Original Tenant**”) and its “Permitted Transferee Assignee,” as that term is set forth in Section 14.8 of this Lease, two (2) options to extend the Lease Term for the entire Premises each by a period of three (3) years (each an “**Option Term**”). Such options shall be exercisable only by “Notice” (as that term is defined in Section 29.18 of this Lease) delivered by Tenant to Landlord as provided below, provided that, as of the date of delivery of such Notice, (i) Tenant is not then in default under this Lease (beyond the applicable notice and cure periods), (ii) Tenant has not been in default under this Lease (beyond the applicable notice and cure periods) more than once during the prior twelve (12) month period, and (iii) Tenant has not been in default under this Lease (beyond the applicable notice and cure periods) more than three (3) times during the Lease Term. Upon the proper exercise of such option to extend, and provided that, at Landlord’s election, as of the end of the then applicable Lease Term, (A) Tenant is not in default under this Lease (beyond the applicable notice and cure periods), (B) Tenant has not been in default under this Lease (beyond the applicable notice and cure periods) more than once during the prior twelve (12) month period, and (C) Tenant has not been in default under this Lease (beyond the applicable notice and cure periods) more than three (3) times during the Lease Term, then the Lease Term, as it applies to the entire Premises, shall be extended for a period of three (3) years. The rights contained in this Section 2.2 shall only be exercised by the Original Tenant or its Permitted Transferee Assignee (and not any other assignee, sublessee or other transferee of the Original Tenant’s interest in this Lease) if Original Tenant and/or its Permitted Transferee Assignee is in occupancy of the entire then-existing Premises.

2.2.2 **Option Rent.** The Rent payable by Tenant during the Option Term (the “**Option Rent**”) shall be equal to the “Market Rent,” as that term is defined in, and determined pursuant to, Exhibit H attached hereto; provided, however, that the Market Rent for each Lease Year during the Option Term, shall be equal to the amount set forth on a “Market Rate Schedule,” as that term is defined below, and under no circumstances shall the Market Rent for any Lease Year occurring during the Option Term, as set forth on the Market Rate Schedule, be less than the corresponding “Contract Rent,” as that term is defined below, as such Contract Rent is set forth on the “Contract Rate Schedule,” as that term is defined below. The “**Market Rate Schedule**” shall be derived from the Market Rent for the Option Term as determined pursuant to Exhibit H, attached hereto, as follows: (i) the Market Rent for the first Lease Year of the Option Term shall be equal to the sum of (a) the Market Rent, as determined pursuant to Exhibit H, (b)

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the amount of Direct Expenses applicable to the Premises, as reasonably determined by Landlord, for the calendar year in which the Option Term commences, and (c) an amount equal to the monthly amortization reimbursement payment for the "Renewal Allowance" (as defined in [Section 3](#) of [Exhibit H](#) to this Lease) to be paid by Landlord in connection with Tenant's lease of the Premises for the Option Term, with such Renewal Allowance being amortized at a reasonable rate of return to Landlord based on the rates of return then being received by the landlords of the "Comparable Buildings" as that term is set forth in [Section 4](#) of [Exhibit H](#) attached hereto, in connection with improvement allowances then be granted by such landlords, and (ii) the Market Rent for each subsequent Lease Year shall be equal to one hundred three and one-half percent (103.5%) of the prior Lease Year's Market Rent. The "**Contract Rate Schedule**" shall be derived from the Base Rent applicable to the Premises for the Lease Year immediately preceding the applicable Option Term, as follows: (x) the "**Contract Rent**" for the first Lease Year of the Option Term shall equal the sum of (A) the Base Rent in effect under the Lease for the Lease Year immediately preceding the commencement of the Option Term, and (B) an amount equal to the monthly amortization reimbursement payment for the "Renewal Allowance" (as defined in [Section 3](#) of [Exhibit H](#) to this Lease) to be paid by Landlord in connection with Tenant's lease of the Premises for the Option Term, with such Renewal Allowance being amortized at a reasonable rate of return to Landlord based on the rates of return then being received by the landlords of the Comparable Buildings in connection with improvement allowances then being granted by such landlords, and (y) the Contract Rent for each subsequent Lease Year shall be equal to one hundred three and one-half percent (103.5%) of the prior Lease Year's Contract Rent. The calculation of the Market Rent shall be derived from a review of, and comparison to, the "Net Equivalent Lease Rates" of the "Comparable Transactions," as provided for in [Exhibit H](#).

2.2.3 Exercise of Option. The option contained in this [Section 2.2](#) shall be exercised by Tenant, if at all, only in the manner set forth in this [Section 2.2](#). Tenant shall deliver notice (the "**Exercise Notice**") to Landlord not more than twelve (12) months nor less than nine (9) months prior to the expiration of the then Lease Term, stating that Tenant is exercising its option. Concurrently with such Exercise Notice, Tenant shall deliver to Landlord Tenant's calculation of the Market Rent (the "**Tenant's Option Rent Calculation**"). Landlord shall deliver notice (the "**Landlord Response Notice**") to Tenant on or before the date which is thirty (30) days after Landlord's receipt of the Exercise Notice and Tenant's Option Rent Calculation (the "**Landlord Response Date**"), stating that (A) Landlord is accepting Tenant's Option Rent Calculation as the Market Rent, or (B) rejecting Tenant's Option Rent Calculation and setting forth Landlord's calculation of the Market Rent (the "**Landlord's Option Rent Calculation**"). Within ten (10) business days of its receipt of the Landlord Response Notice, Tenant may, at its option, accept the Market Rent contained in the Landlord's Option Rent Calculation. If Tenant does not affirmatively accept or Tenant rejects the Market Rent specified in the Landlord's Option Rent Calculation, the parties shall follow the procedure set forth in [Section 2.2.4](#) below, and the Market Rent shall be determined in accordance with the terms of [Section 2.2.4](#) below.

2.2.4 Determination of Market Rent. In the event Tenant timely and appropriately exercises its option to extend the Lease but rejects the Option Rent set forth in the Option Rent Notice pursuant to [Section 2.2.3](#), above, then Landlord and Tenant shall attempt to agree upon the Option Rent using their best good-faith efforts. If Landlord and Tenant fail to reach agreement upon the Option Rent applicable to the Option Term on or before the date that is ninety (90) days prior to the expiration of the initial Lease Term (the "**Outside Agreement Date**"), then the Option Rent shall be determined by arbitration pursuant to the terms of this [Section 2.2.4](#). Each party shall make a separate determination of the Option Rent, within five (5) days following the Outside Agreement Date, and such determinations shall be submitted to arbitration in accordance with [Section 2.2.4.1](#) through [Section 2.2.4.4](#), below.

2.2.4.1 Landlord and Tenant shall each appoint one arbitrator who shall by profession be a MAI appraiser, real estate broker, or real estate lawyer who shall have been active over the five (5) year period ending on the date of such appointment in the appraising and/or leasing of first class office properties in the vicinity of the Building. The determination of the arbitrators shall be limited solely to the issue area of whether Landlord's or Tenant's submitted Option Rent is the closest to the actual Option Rent as determined by the arbitrators, taking into account the requirements of [Section 2.2.2](#) of this Lease. Each such arbitrator shall be appointed within fifteen (15) days after the Outside Agreement Date. Landlord and Tenant may consult with their selected arbitrators prior to appointment and may select an arbitrator who is

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favorable to their respective positions (including an arbitrator who has previously represented Landlord and/or Tenant, as applicable). The arbitrators so selected by Landlord and Tenant shall be deemed "**Advocate Arbitrators.**"

2.2.4.2 The two Advocate Arbitrators so appointed shall be specifically required pursuant to an engagement letter within ten (10) days of the appointment of the last appointed Advocate Arbitrator to agree upon and appoint a third arbitrator ("**Neutral Arbitrator**") who shall be qualified under the same criteria set forth hereinabove for qualification of the two Advocate Arbitrators except that (i) neither the Landlord or Tenant or either parties' Advocate Arbitrator may, directly, or indirectly, consult with the Neutral Arbitrator prior or subsequent to his or her appearance, and (ii) the Neutral Arbitrator cannot be someone who has represented Landlord and/or Tenant during the seven (7) year period prior to such appointment. The Neutral Arbitrator shall be retained via an engagement letter jointly prepared by Landlord's counsel and Tenant's counsel.

2.2.4.3 Within ten (10) days following the appointment of the Arbitrator, Landlord and Tenant shall enter into an arbitration agreement (the "**Arbitration Agreement**") which shall set forth the following:

2.2.4.3.1 Each of Landlord's and Tenant's best and final and binding determination of the Option Rent exchanged by the parties pursuant to Section 2.2.4, above;

2.2.4.3.2 An agreement to be signed by the Neutral Arbitrator, the form of which agreement shall be attached as an exhibit to the Arbitration Agreement, whereby the Neutral Arbitrator shall agree to undertake the arbitration and render a decision in accordance with the terms of this Lease, as modified by the Arbitration Agreement, and shall require the Neutral Arbitrator to demonstrate to the reasonable satisfaction of the parties that the Neutral Arbitrator has no conflicts of interest with either Landlord or Tenant;

2.2.4.3.3 Instructions to be followed by the Neutral Arbitrator when conducting such arbitration;

2.2.4.3.4 That Landlord and Tenant shall each have the right to submit to the Neutral Arbitrator (with a copy to the other party), on or before the date that occurs fifteen (15) days following the appointment of the Neutral Arbitrator, an advocate statement (and any other information such party deems relevant) prepared by or on behalf of Landlord or Tenant, as the case may be, in support of Landlord's or Tenant's respective determination of Option Rent (the "**Briefs**");

2.2.4.3.5 That within five (5) business days following the exchange of Briefs, Landlord and Tenant shall each have the right to provide the Neutral Arbitrator (with a copy to the other party) with a written rebuttal to the other party's Brief (the "**First Rebuttals**"); provided, however, such First Rebuttals shall be limited to the facts and arguments raised in the other party's Brief and shall identify clearly which argument or fact of the other party's Brief is intended to be rebutted;

2.2.4.3.6 That within five (5) business days following the parties' receipt of each other's First Rebuttal, Landlord and Tenant, as applicable, shall each have the right to provide the Neutral Arbitrator (with a copy to the other party) with a written rebuttal to the other party's First Rebuttal (the "**Second Rebuttals**"); provided, however, such Second Rebuttals shall be limited to the facts and arguments raised in the other party's First Rebuttal and shall identify clearly which argument or fact of the other party's First Rebuttal is intended to be rebutted;

2.2.4.3.7 The date, time and location of the arbitration, which shall be mutually and reasonably agreed upon by Landlord and Tenant, taking into consideration the schedules of the Neutral Arbitrator, the Advocate Arbitrators, Landlord and Tenant, and each party's applicable consultants, which date shall in any event be within forty-five (45) days following the appointment of the Neutral Arbitrator;

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2.2.4.3.8 That no discovery shall take place in connection with the arbitration, other than to verify the factual information that is presented by Landlord or Tenant;

2.2.4.3.9 That the Neutral Arbitrator shall not be allowed to undertake an independent investigation or consider any factual information other than presented by Landlord or Tenant, except that the Neutral Arbitrator shall be permitted to visit the Project and the buildings containing the Comparable Transactions;

2.2.4.3.10 The specific persons that shall be allowed to attend the arbitration;

2.2.4.3.11 Tenant shall have the right to present oral arguments to the Neutral Arbitrator at the arbitration for a period of time not to exceed three (3) hours ("**Tenant's Initial Statement**");

2.2.4.3.12 Following Tenant's Initial Statement, Landlord shall have the right to present oral arguments to the Neutral Arbitrator at the arbitration for a period of time not to exceed three (3) hours ("**Landlord's Initial Statement**");

2.2.4.3.13 Following Landlord's Initial Statement, Tenant shall have up to two (2) additional hours to present additional arguments and/or to rebut the arguments of Tenant ("**Tenant's Rebuttal Statement**");

2.2.4.3.14 Following Tenant's Rebuttal Statement, Landlord shall have up to two (2) additional hours to present additional arguments and/or to rebut the arguments of Tenant ("**Landlord's Rebuttal Statement**");

2.2.4.3.15 That, not later than ten (10) days after the date of the arbitration, the Neutral Arbitrator shall render a decision (the "**Ruling**") indicating whether Landlord's or Tenant's submitted Option Rent is closer to the Option Rent;

2.2.4.3.16 That following notification of the Ruling, Landlord's or Tenant's submitted Option Rent determination, whichever is selected by the Neutral Arbitrator as being closer to the Option Rent shall become the then applicable Option Rent; and

2.2.4.3.17 That the decision of the Neutral Arbitrator shall be binding on Landlord and Tenant.

2.2.4.3.18 If a date by which an event described in Section 2.2.4.3, above, is to occur falls on a weekend or a holiday, the date shall be deemed to be the next business day.

2.2.4.4 In the event that the Option Rent shall not have been determined pursuant to the terms hereof prior to the commencement of the Option Term, Tenant shall be required to pay the Option Rent, initially provided by Landlord to Tenant, and upon the final determination of the Option Rent, the payments made by Tenant shall be reconciled with the actual amounts due, and the appropriate party shall make any corresponding payment to the other party.

ARTICLE 3

BASE RENT

3.1 **In General**. Tenant shall pay, without prior notice or demand, to Landlord or Landlord's agent at the management office of the Project, or, at Landlord's option, at such other place as Landlord may from time to time designate in writing, by a check for currency which, at the time of payment, is legal tender for private or public debts in the United States of America, base rent ("**Base Rent**") as set forth in Section 4 of the Summary, payable in equal monthly installments as set forth in Section 4 of the Summary in advance on or before the first day of each and every calendar month during the Lease Term, without any setoff or deduction whatsoever. The Base Rent for the first full month of the Lease Term which occurs after the expiration of any free rent period shall be paid at the time of Tenant's execution of this Lease. If

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any payment of Rent is for a period which is shorter than one month, the Rent for any such fractional month shall accrue on a daily basis during such fractional month and shall total an amount equal to the product of (i) a fraction, the numerator of which is the number of days in such fractional month and the denominator of which is the actual number of days occurring in such calendar month, and (ii) the then-applicable Monthly Installment of Base Rent. All other payments or adjustments required to be made under the TCCs of this Lease that require proration on a time basis shall be prorated on the same basis.

3.2 Abated Base Rent. Provided that no event of default is occurring during the period commencing on first (1st) day of the second (2nd) full calendar month of the Lease Term and ending on last day of the fifth (5th) full calendar month of the Lease Term (the “**Full Base Rent Abatement Period**”), Tenant shall not be obligated to pay any Base Rent otherwise attributable to the Premises during such Full Base Rent Abatement Period (the “**Full Base Rent Abatement**”). Landlord and Tenant acknowledge that the aggregate amount of the Full Base Rent Abatement equals One Hundred Forty-Four Thousand Two Hundred Twenty-Eight and 00/100 Dollars (\$144,228.00) (*i.e.*, Thirty-Six Thousand Fifty-Seven and 00/100 Dollars (\$36,057.00) per month). Tenant acknowledges and agrees that during such Full Base Rent Abatement Period such abatement of Base Rent for the Premises shall have no effect on the calculation of any future increases in Base Rent or Direct Expenses payable by Tenant pursuant to the terms of this Lease, which increases shall be calculated without regard to such Full Base Rent Abatement. Additionally, Tenant shall be obligated to pay all “Additional Rent” (as that term is defined in Section 4.1 of this Lease) during the Full Base Rent Abatement Period. Tenant acknowledges and agrees that the foregoing Full Base Rent Abatement has been granted to Tenant as additional consideration for entering into this Lease, and for agreeing to pay the Base Rent and perform the terms and conditions otherwise required under this Lease. If Tenant shall be in default under this Lease and shall fail to cure such default within the notice and cure period, if any, permitted for cure pursuant to this Lease, or if this Lease, is terminated for any reason other than Landlord’s breach of this Lease, then the dollar amount of the unapplied portion of the Full Base Rent Abatement as of the date of such default or termination, as the case may be, shall be converted to a credit to be applied to the Base Rent applicable at the end of the Lease Term and Tenant shall immediately be obligated to begin paying Base Rent for the Premises in full. The foregoing Full Base Rent Abatement rights set forth in this Section 3.2 shall only apply to the extent that the Original Tenant or a Permitted Transferee Assignee (and not any other assignee, or any sublessee or other transferee of the Original Tenant’s interest in this Lease) is the Tenant under this Lease during such Full Base Rent Abatement Period.

3.3 Partial Abated Base Rent. Provided that no event of default is occurring during the period commencing on the first day of the sixth (6th) full calendar month of the Lease Term and ending on the last day of the eleventh (11th) full calendar month of the Lease Term (the “**Partial Base Rent Abatement Period**”), Tenant shall not be obligated to pay one-half (1/2) of the Base Rent otherwise attributable to the Premises during such Partial Base Rent Abatement Period (the “**Partial Base Rent Abatement**”). Landlord and Tenant acknowledge that the aggregate amount of the Partial Base Rent Abatement equals One Hundred Eight Thousand One Hundred Seventy-One and 00/100 Dollars (\$108,171.00) (*i.e.*, Eighteen Thousand Twenty-Eight and 50/100 Dollars (\$18,028.50) per month). Tenant acknowledges and agrees that during such Partial Base Rent Abatement Period, such abatement of Base Rent for the Premises shall have no effect on the calculation of any future increases in Base Rent or Direct Expenses payable by Tenant pursuant to the terms of this Lease, which increases shall be calculated without regard to such Partial Base Rent Abatement. Additionally, Tenant shall be obligated to pay all Additional Rent during the Partial Base Rent Abatement Period. Tenant acknowledges and agrees that the foregoing Partial Base Rent Abatement has been granted to Tenant as additional consideration for entering into this Lease, and for agreeing to pay the Base Rent and perform the terms and conditions otherwise required under this Lease. If Tenant shall be in default under this Lease and shall fail to cure such default within the notice and cure period, if any, permitted for cure pursuant to this Lease, or if this Lease, is terminated for any reason other than Landlord’s breach of this Lease, then the dollar amount of the unapplied portion of the Partial Base Rent Abatement as of the date of such default or termination, as the case may be, shall be converted to a credit to be applied to the Base Rent applicable at the end of the Lease Term and Tenant shall immediately be obligated to begin paying Base Rent for the Premises in full. The foregoing Partial Base Rent Abatement rights set forth in this Section 3.3 shall only apply to the extent that the Original Tenant or a Permitted Transferee Assignee (and not any other assignee, or any

sublessee or other transferee of the Original Tenant's interest in this Lease) is the Tenant under this Lease during such Partial Base Rent Abatement Period.

ARTICLE 4

ADDITIONAL RENT

4.1 **In General.** In addition to paying the Base Rent specified in Article 3 of this Lease, Tenant shall pay "Tenant's Share" of the annual "Direct Expenses," as those terms are defined in Sections 4.2.6 and 4.2.2, respectively, of this Lease, which are in excess of the amount of Direct Expenses applicable to the "Base Year," as that term is defined in Section 4.2.1, below; provided, however, that in no event shall any decrease in Direct Expenses for any "Expense Year" (as that term is defined in Section 4.2.3, below) below Direct Expenses for the Base Year entitle Tenant to any decrease in Base Rent or any credit against sums due under this Lease. Such payments by Tenant, together with any and all other amounts payable by Tenant to Landlord pursuant to the TCCs of this Lease, are hereinafter collectively referred to as the "**Additional Rent**," and the Base Rent and the Additional Rent are herein collectively referred to as "**Rent**." All amounts due under this Article 4 as Additional Rent shall be payable for the same periods and in the same manner as the Base Rent; provided, however, the parties hereby acknowledge that the first monthly installment of Tenant's Share of any "Estimated Excess," as that term is set forth in, and pursuant to the terms and conditions of, Section 4.4.2 of this Lease, shall first be due and payable for the calendar month occurring immediately following the expiration of the Base Year. Without limitation on other obligations of Tenant which survive the expiration of the Lease Term, the obligations of Tenant to pay the Additional Rent provided for in this Article 4 shall survive the expiration of the Lease Term.

4.2 **Definitions of Key Terms Relating to Additional Rent.** As used in this Article 4, the following terms shall have the meanings hereinafter set forth:

4.2.1 "**Base Year**" shall mean the period set forth in Section 5 of the Summary.

4.2.2 "**Direct Expenses**" shall mean "Operating Expenses" and "Tax Expenses."

4.2.3 "**Expense Year**" shall mean each calendar year in which any portion of the Lease Term falls, through and including the calendar year in which the Lease Term expires, provided that Landlord, upon notice to Tenant, may change the Expense Year from time to time to any other twelve (12) consecutive month period, and, in the event of any such change, Tenant's Share of Direct Expenses shall be equitably adjusted for any Expense Year involved in any such change.

4.2.4 "**Operating Expenses**" shall mean all expenses, costs and amounts of every kind and nature which Landlord pays or accrues during any Expense Year because of or in connection with the ownership, management, maintenance, security, repair, replacement, renovation, restoration or operation of the Project, or any portion thereof, in accordance with sound real estate management and accounting practices, consistently applied. Without limiting the generality of the foregoing, Operating Expenses shall specifically include any and all of the following: (i) the cost of supplying all utilities (but excluding the cost of electricity consumed in the Premises and the premises of other tenants of the Building and any other buildings in the Project (since Tenant is separately paying for the cost of electricity pursuant to Section 6.1.2 of the Lease)), the cost of operating, repairing, replacing, maintaining, renovating and restoring the utility, telephone, mechanical, sanitary, storm drainage, and elevator systems, and the cost of maintenance and service contracts in connection therewith; (ii) the cost of licenses, certificates, permits and inspections and the cost of reasonably contesting any governmental enactments which may affect Operating Expenses, and the costs incurred in connection with a governmentally mandated transportation system management program or similar program; (iii) the cost of all insurance carried by Landlord in connection with the Project; (iv) the cost of landscaping, relamping, and all supplies, tools, equipment and materials used in the operation, repair and maintenance of the Project, or any portion thereof; (v) costs incurred in connection with the parking areas servicing the Project; (vi) fees and other costs, including management fees, consulting fees, legal fees and accounting fees, of all contractors and consultants in connection with the management, operation, maintenance, replacement, renovation, repair and restoration of the Project; (vii) payments under any equipment rental agreements and the fair

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rental value of any management office space; (viii) wages, salaries and other compensation and benefits, including taxes levied thereon, of all persons (other than persons generally considered to be higher in rank than the position of "Senior Asset Manager") engaged in the operation, maintenance and security of the Project; (ix) costs under any instrument pertaining to the sharing of costs by the Project; (x) operation, repair, maintenance, renovation, replacement and restoration of all systems and equipment and components thereof of the Project; (xi) the cost of janitorial, alarm, security and other services, replacement, renovation, restoration and repair of wall and floor coverings, ceiling tiles and fixtures in common areas, maintenance, replacement, renovation, repair and restoration of curbs and walkways, repair to roofs and re-roofing; (xii) amortization of the cost of acquiring or the rental expense of personal property used in the maintenance, operation and repair of the Project, or any portion thereof (which amortization calculation shall include interest at the "Interest Rate," as that term is set forth in Article 25 of this Lease); (xiii) the cost of capital improvements or other costs incurred in connection with the Project (A) which are intended to effect economies in the operation or maintenance of the Project, or any portion thereof, (B) that are required to comply with present or anticipated conservation programs, (C) which are replacements or modifications of nonstructural items located in the Common Areas required to keep the Common Areas in good order or condition, (D) that are required under any governmental law or regulation by a federal, state or local governmental agency, except for capital repairs, replacements or other improvements to remedy a condition existing prior to the Lease Commencement Date which an applicable governmental authority, if it had knowledge of such condition prior to the Lease Commencement Date, would have then required to be remedied pursuant to then-current governmental laws or regulations in their form existing as of the Lease Commencement Date and pursuant to the then-current interpretation of such governmental laws or regulations by the applicable governmental authority as of the Lease Commencement Date, (E) which are required in order for the Project, or any portion thereof, to obtain or maintain a certification under the U.S. Green Building Council's Leadership in Energy and Environmental Design ("LEED"), or other applicable certification agency in connection with Landlord's sustainability practices for the Project (as such sustainability practices are to be determined by Landlord, in its sole and absolute discretion, from time to time), or (F) that relate to the safety or security of the Project; provided, however, that any capital expenditure shall be amortized with interest at the Interest Rate over its useful life as Landlord shall reasonably determine in accordance with sound real estate management and accounting practices consistently applied, or (Z) with respect to those items included under item (A) above, their recovery/payback period as Landlord shall reasonably determine in accordance with sound real estate management and accounting practices consistently applied; (xiv) costs, fees, charges or assessments imposed by, or resulting from any mandate imposed on Landlord by, any federal, state or local government for fire and police protection, trash removal, community services, or other services which do not constitute "Tax Expenses" as that term is defined in Section 4.2.5, below; (xv) payments under any easement, license, operating agreement, declaration, restrictive covenant, or instrument pertaining to the sharing of costs by the Project and (xvi) costs of any additional services not provided to the Project as of the Lease Commencement Date but which are thereafter provided by Landlord in connection with its prudent management of the Project. Notwithstanding the foregoing, for purposes of this Lease, Operating Expenses shall not, however, include:

(a) costs, including marketing costs, legal fees, space planners' fees, advertising and promotional expenses, and brokerage fees incurred in connection with the original construction or development, or original or future leasing of the Project, and costs, including permit, license and inspection costs, incurred with respect to the installation of improvements made for new tenants initially occupying space in the Project after the Lease Commencement Date or incurred in renovating or otherwise improving, decorating, painting or redecorating vacant space for tenants or other occupants of the Project (excluding, however, such costs relating to any common areas of the Project or parking facilities);

(b) except as set forth in items (xii), (xiii), and (xiv) above, depreciation, interest and principal payments on mortgages and other debt costs, if any, penalties and interest;

(c) costs for which the Landlord is reimbursed by any tenant or occupant of the Project or by insurance by its carrier or any tenant's carrier or by anyone else (except to the extent of deductibles), and electric power costs for which any tenant directly contracts with the local public service company;

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(d) any bad debt loss, rent loss, or reserves for bad debts or rent loss;

(e) costs associated with the operation of the business of the partnership or entity which constitutes the Landlord, as the same are distinguished from the costs of operation of the Project (which shall specifically include, but not be limited to, accounting costs associated with the operation of the Project). Costs associated with the operation of the business of the partnership or entity which constitutes the Landlord include costs of partnership accounting and legal matters, costs of defending any lawsuits with any mortgagee (except as the actions of the Tenant may be in issue), costs of selling, syndicating, financing, mortgaging or hypothecating any of the Landlord's interest in the Project, and costs incurred in connection with any disputes between Landlord and its employees, between Landlord and Project management, or between Landlord and other tenants or occupants, and Landlord's general corporate overhead and general and administrative expenses;

(f) the wages and benefits of any employee who does not devote substantially all of his or her employed time to the Project unless such wages and benefits are prorated to reflect time spent on operating and managing the Project vis-a-vis time spent on matters unrelated to operating and managing the Project; provided, that in no event shall Operating Expenses for purposes of this Lease include wages and/or benefits attributable to personnel above the level of Senior Asset Manager;

(g) amount paid as ground rental for the Project by the Landlord;

(h) overhead and profit increment paid to the Landlord or to subsidiaries or affiliates of the Landlord for services in the Project to the extent the same exceeds the costs of such services rendered by qualified, first-class unaffiliated third parties on a competitive basis;

(i) any compensation paid to clerks, attendants or other persons in commercial concessions operated by the Landlord, provided that any compensation paid to any concierge or parking attendants at the Project shall be includable as an Operating Expense, net of any fees received for such services;

(j) rentals and other related expenses incurred in leasing air conditioning systems, elevators or other equipment which if purchased the cost of which would be excluded from Operating Expenses as a capital cost, except equipment not affixed to the Project which is used in providing janitorial or similar services and, further excepting from this exclusion such equipment rented or leased to remedy or ameliorate an emergency condition in the Project ;

(k) all items and services for which Tenant or any other tenant in the Project reimburses Landlord or which Landlord provides selectively to one or more tenants (other than Tenant) without reimbursement;

(l) costs, other than those incurred in ordinary maintenance and repair, for sculpture, paintings, fountains or other objects of art;

(m) any costs expressly excluded from Operating Expenses elsewhere in this Lease;

(n) rent for any office space occupied by Project management personnel to the extent the size or rental rate of such office space exceeds the size or fair market rental value of office space occupied by management personnel of the Comparable Buildings in the vicinity of the Building, with adjustment where appropriate for the size of the applicable project;

(o) costs to the extent arising from the gross negligence or willful misconduct of Landlord or its agents, employees, vendors, contractors, or providers of materials or services; and

(p) costs incurred to comply with laws relating to the removal of hazardous material (as defined under applicable law) which was in existence in the Building

or on the Project prior to the Lease Commencement Date, and was of such a nature that a federal, State or municipal governmental authority, if it had then had knowledge of the presence of such hazardous material, in the state, and under the conditions that it then existed in the Building or on the Project, would have then required the removal of such hazardous material or other remedial or containment action with respect thereto, but only to the extent those laws were then being actively enforced by the applicable government authority; and costs incurred to remove, remedy, contain, or treat hazardous material, which hazardous material is brought into the Building or onto the Project after the date hereof by Landlord or any other tenant of the Project and is of such a nature, at that time, that a federal, State or municipal governmental authority, if it had then had knowledge of the presence of such hazardous material, in the state, and under the conditions, that it then exists in the Building or on the Project, would have then required the removal of such hazardous material or other remedial or containment action with respect thereto, but only to the extent those laws were then being actively enforced by the applicable government authority.

If Landlord is not furnishing any particular work or service (the cost of which, if performed by Landlord, would be included in Operating Expenses) to a tenant who has undertaken to perform such work or service in lieu of the performance thereof by Landlord, Operating Expenses shall be deemed to be increased by an amount equal to the additional Operating Expenses which would reasonably have been incurred during such period by Landlord if it had at its own expense furnished such work or service to such tenant. If the Project is not at least ninety-five percent (95%) occupied during all or a portion of the Base Year or any Expense Year, Landlord may elect to make an appropriate adjustment to the components of Operating Expenses for such year to determine the amount of Operating Expenses that would have been incurred had the Project been ninety-five percent (95%) occupied; and the amount so determined shall be deemed to have been the amount of Operating Expenses for such year. Operating Expenses for the Base Year shall not include market-wide cost increases (including utility rate increases) due to extraordinary circumstances, including, but not limited to, Force Majeure, boycotts, strikes, conservation surcharges, embargoes or shortages, or amortized costs. In no event shall each of the components of Direct Expenses for any Expense Year related to utility costs, Tax Expenses, Project services costs or Project insurance costs be less than each of the corresponding components of Direct Expenses related to such utility costs, Tax Expenses, Project services costs and Project insurance costs in the Base Year. Landlord shall not (i) make a profit by charging items to Operating Expenses that are otherwise also charged separately to others and (ii) subject to Landlord's right to adjust the components of Operating Expenses described above in this paragraph, collect Operating Expenses from Tenant and all other tenants in the Building in an amount in excess of what Landlord incurs for the items included in Operating Expenses.

4.2.5 Taxes.

4.2.5.1 "**Tax Expenses**" shall mean all federal, state, county, or local governmental or municipal taxes, fees, charges or other impositions of every kind and nature, whether general, special, ordinary or extraordinary, (including, without limitation, real estate taxes, general and special assessments, transit taxes, leasehold taxes or taxes based upon the receipt of rent, including gross receipts or sales taxes applicable to the receipt of rent, unless required to be paid by Tenant, personal property taxes imposed upon the fixtures, machinery, equipment, apparatus, systems and equipment, appurtenances, furniture and other personal property used in connection with the Project, or any portion thereof), which shall be paid or accrued during any Expense Year (without regard to any different fiscal year used by such governmental or municipal authority) because of or in connection with the ownership, leasing and operation of the Project, or any portion thereof (including, without limitation, the land upon which the Building and the parking facility adjacent to the Building are located).

4.2.5.2 Tax Expenses shall include, without limitation: (i) Any tax on the rent, right to rent or other income from the Project, or any portion thereof, or as against the business of leasing the Project, or any portion thereof; (ii) Any assessment, tax, fee, levy or charge in addition to, or in substitution, partially or totally, of any assessment, tax, fee, levy or charge previously included within the definition of real property tax, it being acknowledged by Tenant and Landlord that Proposition 13 was adopted by the voters of the State of California in the June 1978 election ("**Proposition 13**") and that assessments, taxes, fees, levies and charges may be imposed by governmental agencies for such services as fire protection, street, sidewalk and road maintenance, refuse removal and for other governmental services formerly provided without charge to property owners or occupants, and, in further recognition of the decrease in the

level and quality of governmental services and amenities as a result of Proposition 13, Tax Expenses shall also include any governmental or private assessments or the Project's contribution towards a governmental or private cost-sharing agreement for the purpose of augmenting or improving the quality of services and amenities normally provided by governmental agencies; (iii) Any assessment, tax, fee, levy, or charge allocable to or measured by the area of the Premises or the Rent payable hereunder, including, without limitation, any business or gross income tax or excise tax with respect to the receipt of such rent, or upon or with respect to the possession, leasing, operating, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises, or any portion thereof; (iv) Any assessment, tax, fee, levy or charge, upon this transaction or any document to which Tenant is a party, creating or transferring an interest or an estate in the Premises; and (v) all of the real estate taxes and assessments imposed upon or with respect to the Building and all of the real estate taxes and assessments imposed on the land and improvements comprising the Project.

4.2.5.3 Any costs and expenses (including, without limitation, reasonable attorneys' fees) incurred in attempting to protest, reduce or minimize Tax Expenses shall be included in Tax Expenses in the Expense Year such expenses are paid. Except as set forth in Section 4.2.5.4, below, refunds of Tax Expenses shall be credited against Tax Expenses and refunded to Tenant regardless of when received, based on the Expense Year to which the refund is applicable, provided that in no event shall the amount to be refunded to Tenant for any such Expense Year exceed the total amount paid by Tenant as an increase in Tax Expenses under this Article 4 for such Expense Year. If Tax Expenses for any period during the Lease Term or any extension thereof are increased after payment thereof for any reason, including, without limitation, error or reassessment by applicable governmental or municipal authorities, Tenant shall pay Landlord upon demand Tenant's Share of any such increased Tax Expenses included by Landlord as Building Tax Expenses pursuant to the TCCs of this Lease. Notwithstanding anything to the contrary contained in this Section 4.2.5 (except as set forth in Section 4.2.5.1, above), there shall be excluded from Tax Expenses (i) all excess profits taxes, franchise taxes, gift taxes, capital stock taxes, inheritance and succession taxes, estate taxes, federal and state income taxes, and other taxes to the extent applicable to Landlord's general or net income (as opposed to rents, receipts or income attributable to operations at the Project), (ii) any items included as Operating Expenses, and (iii) any items paid by Tenant under Section 4.5 of this Lease. Notwithstanding anything to the contrary set forth in this Lease, only Landlord may institute proceedings to reduce Tax Expenses and the filing of any such proceeding by Tenant without Landlord's consent shall constitute an event of default by Tenant under this Lease. Notwithstanding the foregoing, Landlord shall not be obligated to file any application or institute any proceeding seeking a reduction in Tax Expenses.

4.2.5.4 Notwithstanding anything to the contrary set forth in this Lease, the amount of Tax Expenses for the Base Year and any Expense Year shall be calculated without taking into account any decreases in real estate taxes obtained in connection with Proposition 8, and, therefore, the Tax Expenses in the Base Year and/or an Expense Year may be greater than those actually incurred by Landlord, but shall, nonetheless, be the Tax Expenses due under this Lease; provided that (i) any costs and expenses incurred by Landlord in securing any Proposition 8 reduction shall not be included in Direct Expenses for purposes of this Lease, and (ii) tax refunds under Proposition 8 shall not be deducted from Tax Expenses, but rather shall be the sole property of Landlord. Landlord and Tenant acknowledge that this Section 4.2.5.4 is not intended to in any way affect (A) the inclusion in Tax Expenses of the statutory two percent (2.0%) annual maximum allowable increase in Tax Expenses (as such statutory increase may be modified by subsequent legislation), or (B) the inclusion or exclusion of Tax Expenses pursuant to the terms of Proposition 13, which shall be governed pursuant to the terms of Sections 4.2.5.1 through 4.2.5.3, above.

4.2.6 "Tenant's Share" shall mean the percentage set forth in Section 6 of the Summary.

4.3 Allocation of Direct Expenses.

4.3.1 Method of Allocation. The parties acknowledge that the Building is a part of a multi-building project and that the costs and expenses incurred in connection with the Project (i.e. the Direct Expenses) should be shared between the tenants of the Building and the tenants of

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the other buildings in the Project. Accordingly, as set forth in Section 4.2 above, Direct Expenses (which consists of Operating Expenses and Tax Expenses) are determined annually for the Project as a whole, and a portion of the Direct Expenses, which portion shall be determined by Landlord on an equitable basis, shall be allocated to the tenants of the Building (as opposed to the tenants of any other buildings in the Project) and such portion shall be the Direct Expenses for purposes of this Lease. Such portion of Direct Expenses allocated to the tenants of the Building shall include all Direct Expenses attributable solely to the Building and an equitable portion of the Direct Expenses attributable to the Project as a whole.

4.3.1 **Cost Pools.** Landlord shall have the right, from time to time, to equitably allocate some or all of the Direct Expenses for the Project among different portions or occupants of the Project (the “**Cost Pools**”), in Landlord’s discretion. Such Cost Pools may include, but shall not be limited to, the office space tenants of a building of the Project or of the Project, and the retail space tenants of a building of the Project or of the Project. The Direct Expenses within each such Cost Pool shall be allocated and charged to the tenants within such Cost Pool in an equitable manner.

4.4 **Calculation and Payment of Additional Rent.** If for any Expense Year ending or commencing within the Lease Term, Tenant’s Share of Direct Expenses for such Expense Year exceeds Tenant’s Share of Direct Expenses applicable to the Base Year, then Tenant shall pay to Landlord, in the manner set forth in Section 4.4.1, below, and as Additional Rent, an amount equal to the excess (the “**Excess**”).

4.4.1 **Statement of Actual Direct Expenses and Payment by Tenant.** Landlord shall give to Tenant following the end of each Expense Year, a statement (the “**Statement**”) which shall state in general major categories the Direct Expenses incurred or accrued for the particular Expense Year, and which shall indicate the amount of the Excess. Landlord shall use commercially reasonable efforts to deliver such Statement to Tenant on or before May 1 following the end of the Expense Year to which such Statement relates. Upon receipt of the Statement for each Expense Year commencing or ending during the Lease Term, if an Excess is present, Tenant shall pay, within thirty (30) days after receipt of the Statement, the full amount of the Excess for such Expense Year, less the amounts, if any, paid during such Expense Year as “Estimated Excess,” as that term is defined in Section 4.4.2, below, and if Tenant paid more as Estimated Excess than the actual Excess, Tenant shall receive a credit in the amount of Tenant’s overpayment against Rent next due under this Lease. The failure of Landlord to timely furnish the Statement for any Expense Year shall not prejudice Landlord or Tenant from enforcing its rights under this Article 4. Even though the Lease Term has expired and Tenant has vacated the Premises, when the final determination is made of Tenant’s Share of Direct Expenses for the Expense Year in which this Lease terminates, if an Excess is present, Tenant shall, within thirty (30) days after receipt of the Statement, pay to Landlord such amount, and if Tenant paid more as Estimated Excess than the actual Excess, Landlord shall, within thirty (30) days, deliver a check payable to Tenant in the amount of the overpayment. The provisions of this Section 4.4.1 shall survive the expiration or earlier termination of the Lease Term. Notwithstanding the immediately preceding sentence, Tenant shall not be responsible for Tenant’s Share of any Direct Expenses attributable to any Expense Year which are first billed to Tenant more than two (2) calendar years after the Lease Expiration Date, provided that in any event Tenant shall be responsible for Tenant’s Share of Direct Expenses which (x) were levied by any governmental authority or by any public utility companies, and (y) Landlord had not previously received an invoice therefor and which are currently due and owing (i.e., costs invoiced for the first time regardless of the date when the work or service relating to this Lease was performed), at any time following the Lease Expiration Date which are attributable to any Expense Year.

4.4.2 **Statement of Estimated Direct Expenses.** In addition, Landlord shall endeavor to give Tenant a yearly expense estimate statement (the “**Estimate Statement**”) which shall set forth in general major categories Landlord’s reasonable estimate (the “**Estimate**”) of what the total amount of Direct Expenses for the then-current Expense Year shall be and the estimated excess (the “**Estimated Excess**”) as calculated by comparing the Direct Expenses for such Expense Year, which shall be based upon the Estimate, to the amount of Direct Expenses for the Base Year. The failure of Landlord to timely furnish the Estimate Statement for any Expense Year shall not preclude Landlord from enforcing its rights to collect any Additional Rent under this Article 4, nor shall Landlord be prohibited from revising any Estimate Statement or Estimated Excess theretofore delivered to the extent necessary. Thereafter, Tenant shall pay,

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within thirty (30) days after receipt of the Estimate Statement, a fraction of the Estimated Excess for the then-current Expense Year (reduced by any amounts paid pursuant to the second to last sentence of this [Section 4.4.2](#)). Such fraction shall have as its numerator the number of months which have elapsed in such current Expense Year, including the month of such payment, and twelve (12) as its denominator. Until a new Estimate Statement is furnished (which Landlord shall have the right to deliver to Tenant at any time), Tenant shall pay monthly, with the monthly Base Rent installments, an amount equal to one-twelfth (1/12) of the total Estimated Excess set forth in the previous Estimate Statement delivered by Landlord to Tenant. Throughout the Lease Term Landlord shall maintain records with respect to Direct Expenses in accordance with generally accepted real estate accounting and management practices, consistently applied.

4.5 Taxes and Other Charges for Which Tenant Is Directly Responsible.

4.5.1 Tenant shall be liable for and shall pay ten (10) days before delinquency, taxes levied against Tenant's equipment, furniture, fixtures and any other personal property located in or about the Premises. If any such taxes on Tenant's equipment, furniture, fixtures and any other personal property are levied against Landlord or Landlord's property or if the assessed value of Landlord's property is increased by the inclusion therein of a value placed upon such equipment, furniture, fixtures or any other personal property and if Landlord pays the taxes based upon such increased assessment, which Landlord shall have the right to do regardless of the validity thereof but only under proper protest if requested by Tenant, Tenant shall upon demand repay to Landlord the taxes so levied against Landlord or the proportion of such taxes resulting from such increase in the assessment, as the case may be.

4.5.2 If the improvements in the Premises, whether installed and/or paid for by Landlord or Tenant and whether or not affixed to the real property so as to become a part thereof, are assessed for real property tax purposes at a valuation higher than the valuation at which improvements conforming to Landlord's "building standard" in other space in the Building are assessed, then the Tax Expenses levied against Landlord or the property by reason of such excess assessed valuation shall be deemed to be taxes levied against personal property of Tenant and shall be governed by the provisions of [Section 4.5.1](#), above.

4.5.3 Notwithstanding any contrary provision herein, Tenant shall pay prior to delinquency any (i) rent tax or sales tax, service tax, transfer tax or value added tax, or any other applicable tax on the rent or services herein or otherwise respecting this Lease, (ii) taxes assessed upon or with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion of the Project, including the Project parking facility; or (iii) taxes assessed upon this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises.

4.6 **Landlord's Records.** Upon Tenant's written request given not more than one hundred eighty (180) days after Tenant's receipt of a Statement for a particular Expense Year, and provided that Tenant is not then in default under this Lease beyond the applicable notice and cure period provided in this Lease, specifically including, but not limited to, the timely payment of Additional Rent (whether or not a component thereof is the subject of the audit contemplated herein), Landlord shall furnish Tenant with such reasonable supporting documentation pertaining to the calculation of the Excess set forth in the Statement as Tenant may reasonably request. Landlord shall provide said information pertaining to the relevant Excess to Tenant within sixty (60) days after Tenant's written request therefor. Within one hundred eighty (180) days after receipt of a Statement by Tenant (the "**Audit Period**"), if Tenant disputes the amount of the Excess set forth in the Statement, an independent certified public accountant (which accountant (A) is a member of a nationally or regionally recognized certified public accounting firm which has previous experience in auditing financial operating records of landlords of office buildings, (B) shall not already be providing primary accounting and/or lease administration services to Tenant and shall not have provided primary accounting and/or lease administration services to Tenant in the past three (3) years, (C) is not working on a contingency fee basis [i.e., Tenant must be billed based on the actual time and materials that are incurred by the certified public accounting firm in the performance of the audit], and (D) shall not currently or in the future be providing accounting and/or lease administration services to another tenant in the Building and/or the Project in connection with a review or audit by such other tenant of similar expense records), designated and paid for by Tenant, may, after reasonable notice to Landlord and at reasonable times, audit Landlord's records with respect to the Excess set forth in the Statement at Landlord's corporate offices, provided that (i) Tenant is not then in default under this Lease

(beyond the applicable notice and cure periods provided under this Lease), (ii) Tenant has paid all amounts required to be paid under the applicable Estimate Statement and Statement, and (iii) a copy of the audit agreement between Tenant and its particular certified public accounting firm has been delivered to Landlord prior to the commencement of the audit. In connection with such audit, Tenant and Tenant's certified public accounting firm must agree in advance to follow Landlord's reasonable rules and procedures regarding an audit of the aforementioned Landlord records, and shall execute a commercially reasonable confidentiality agreement regarding such audit. Any audit report prepared by Tenant's certified public accounting firm shall be delivered concurrently to Landlord and Tenant within the Audit Period. Tenant's failure to audit the amount of the Excess set forth in any Statement within the Audit Period shall be deemed to be Tenant's approval of such Statement and Tenant, thereafter, waives the right or ability to audit the amounts set forth in such Statement. If after such audit, Tenant still disputes such Excess, an audit to determine the proper amount shall be made, at Tenant's expense, by an independent certified public accountant (the "Accountant") selected by Landlord and subject to Tenant's reasonable approval; provided that if such audit by the Accountant proves that the Direct Expenses in the subject Expense Year were overstated by more than seven percent (7%), then the cost of the Accountant and the cost of such audit shall be paid for by Landlord. Tenant hereby acknowledges that Tenant's sole right to audit Landlord's records and to contest the amount of Direct Expenses payable by Tenant shall be as set forth in this Section 4.6, and Tenant hereby waives any and all other rights pursuant to applicable law to audit such records and/or to contest the amount of Direct Expenses payable by Tenant.

ARTICLE 5

USE OF PREMISES

5.1 **Permitted Use.** Tenant shall use the Premises solely for the Permitted Use set forth in Section 7 of the Summary and Tenant shall not use or permit the Premises or the Project to be used for any other purpose or purposes whatsoever without the prior written consent of Landlord, which may be withheld in Landlord's sole and absolute discretion.

5.2 **Prohibited Uses.** The uses prohibited under this Lease shall include, without limitation, use of the Premises or a portion thereof for (i) offices of any agency or bureau of the United States or any state or political subdivision thereof; (ii) offices or agencies of any foreign governmental or political subdivision thereof; (iii) offices of any health care professionals or service organization; (iv) schools or other training facilities which are not ancillary to corporate, executive or professional office use; (v) retail or restaurant uses; or (vi) communications firms such as radio and/or television stations. Tenant's use shall not result in an occupancy density for the Premises which is greater than the total number of parking passes granted to Tenant under this Lease (*i.e.*, as more particularly set forth in Section 9 of the Summary). Tenant further covenants and agrees that it shall not use, or suffer or permit any person or persons to use, the Premises or any part thereof for any use or purpose contrary to the rules and regulations promulgated by Landlord from time to time ("**Rules and Regulations**"), the current set of which (as of the date of this Lease) is attached to this Lease as **Exhibit D**; or in violation of the laws of the United States of America, the State of California, or the ordinances, regulations or requirements of the local municipal or county governing body or other lawful authorities having jurisdiction over the Project) including, without limitation, any such laws, ordinances, regulations or requirements relating to hazardous materials or substances, as those terms are defined by applicable laws now or hereafter in effect; provided, however, Landlord shall not enforce, change or modify the Rules and Regulations in a discriminatory manner and Landlord agrees that the Rules and Regulations shall not be unreasonably modified or enforced in a manner which will unreasonably interfere with the normal and customary conduct of Tenant's business. Tenant shall not do or permit anything to be done in or about the Premises which will in any way damage the reputation of the Project or obstruct or interfere with the rights of other tenants or occupants of the Building, or injure or annoy them or use or allow the Premises to be used for any improper, unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises; provided, however, that to Landlord's knowledge regarding Tenant's implementation of the Permitted Use set forth in Section 5 of the Summary, as of the date of this Lease Tenant's Permitted Use complies with this Section 5.2. Tenant shall comply with all recorded covenants, conditions, and restrictions now or hereafter affecting the Project.

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5.3 **CC&Rs.** Tenant shall comply with all recorded covenants, conditions, and restrictions currently affecting the Project. Additionally, Tenant acknowledges that the Project may be subject to any future covenants, conditions, and restrictions (the “**CC&Rs**”) which Landlord, in Landlord’s discretion, deems reasonably necessary or desirable, and Tenant agrees that this Lease shall be subject and subordinate to such CC&Rs. Landlord shall have the right to require Tenant to execute and acknowledge, within fifteen (15) business days of a request by Landlord, a “Recognition of Covenants, Conditions, and Restriction,” in a form substantially similar to that attached hereto as **Exhibit F**, agreeing to and acknowledging the CC&Rs.

ARTICLE 6

SERVICES AND UTILITIES

6.1 **Standard Tenant Services.** Landlord shall provide the following services on all days (unless otherwise stated below) during the Lease Term.

6.1.1 Subject to reasonable changes implemented by Landlord and all governmental rules, regulations and guidelines applicable thereto, Landlord shall provide heating, ventilation and air conditioning (“**HVAC**”) when necessary for normal comfort for normal office use in the Premises from 7:00 A.M. to 6:00 P.M. Monday through Friday, and from 9:00 A.M. to 1:00 P.M. on Saturday (collectively, the “**Building Hours**”), except for the date of observation of New Year’s Day, President’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day and, at Landlord’s discretion, other locally or nationally recognized holidays (collectively, the “**Holidays**”).

6.1.2 Landlord shall provide adequate electrical wiring and facilities for connection to Tenant’s lighting fixtures and incidental use equipment, provided that (i) the connected electrical load of the incidental use equipment does not exceed an average of five (5) watts per usable square foot of the Premises during the Building Hours on a monthly basis, and the electricity so furnished for incidental use equipment will be at a nominal one hundred twenty (120) volts and no electrical circuit for the supply of such incidental use equipment will require a current capacity exceeding twenty (20) amperes, and (ii) the connected electrical load of Tenant’s lighting fixtures does not exceed an average of five (5) watts per usable square foot of the Premises during the Building Hours on a monthly basis, and the electricity so furnished for Tenant’s lighting will be at a nominal one hundred twenty (120) volts, which electrical usage by Tenant shall be subject to applicable laws and regulations, including Title 24. Tenant will design Tenant’s electrical system serving any equipment producing nonlinear electrical loads to accommodate such nonlinear electrical loads, including, but not limited to, oversizing neutral conductors, derating transformers and/or providing power-line filters. Engineering plans shall include a calculation of Tenant’s fully connected electrical design load with and without demand factors and shall indicate the number of watts of unmetered and submetered loads. Notwithstanding any provision to the contrary contained in this Lease, Tenant shall pay directly to the utility company pursuant to the utility company’s separate meters (or to Landlord in the event Landlord provides submeters instead of the utility company’s meters), the cost of all electricity, gas, water and sewer services provided to and/or consumed in the Premises (including normal and excess consumption and including the cost of electricity to operate the HVAC air handlers), which electricity, gas, water and sewer services shall be separately metered (as described above or otherwise equitably allocated and directly charged by Landlord to Tenant and other tenants of the Building). Tenant shall pay such cost (including the cost of such meters or submeters) within ten (10) days after demand and as Additional Rent under this Lease (and not as part of the Operating Expenses). Landlord shall designate the utility provider from time to time.

6.1.3 As part of Operating Expenses, Landlord shall replace lamps, starters and ballasts for Building standard lighting fixtures within the Premises. In addition, Tenant shall bear the cost of replacement of lamps, starters and ballasts for non-Building standard lighting fixtures within the Premises.

6.1.4 Landlord shall provide city water from the regular Building outlets for drinking, lavatory and toilet purposes in the Building Common Areas.

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6.1.5 Landlord shall provide janitorial services to the Premises, except the date of observation of the Holidays, in and about the Premises and window washing services in a manner consistent with other Comparable Buildings.

6.1.6 Landlord shall provide nonexclusive, non-attended automatic passenger elevator service during the Building Hours, and shall have at least one elevator available at all other times. Landlord shall provide nonexclusive freight elevator service subject to scheduling by Landlord.

Tenant shall cooperate fully with Landlord at all times and abide by all regulations and requirements that Landlord may reasonably prescribe for the proper functioning and protection of the HVAC, electrical, mechanical and plumbing systems.

6.2 Overstandard Tenant Use. Tenant shall not, without Landlord's prior written consent, use heat-generating machines, machines other than normal fractional horsepower office machines, or equipment or lighting other than Building standard lights in the Premises, which may affect the temperature otherwise maintained by the air conditioning system or increase the water normally furnished for the Premises by Landlord pursuant to the terms of Section 6.1 of this Lease. If such consent is given, Landlord shall have the right to require installation of supplementary air conditioning units or other facilities in the Premises, including supplementary or additional metering devices, and the cost thereof, including the cost of installation, operation and maintenance, increased wear and tear on existing equipment and other similar charges, shall be paid by Tenant to Landlord upon billing by Landlord. If Tenant uses water, electricity, heat or air conditioning in excess of that supplied by Landlord pursuant to Section 6.1 of this Lease, Tenant shall pay to Landlord, upon billing, the cost of such excess consumption, the cost of the installation, operation, and maintenance of equipment which is installed in order to supply such excess consumption, and the cost of the increased wear and tear on existing equipment caused by such excess consumption; and Landlord may install devices to separately meter any increased use and in such event Tenant shall pay the increased cost directly to Landlord, including the cost of such additional metering devices. Tenant's use of electricity shall never exceed the capacity of the feeders to the Project or the risers or wiring installation, and subject to the terms of Section 29.32, below, Tenant shall not install or use or permit the installation or use of any computer or electronic data processing equipment in the Premises, without the prior written consent of Landlord. If Tenant desires to use heat, ventilation or air conditioning during hours other than those for which Landlord is obligated to supply such utilities pursuant to the terms of Section 6.1 of this Lease, Tenant shall give Landlord such prior notice, if any, as Landlord shall from time to time establish as appropriate, of Tenant's desired use in order to supply such utilities, and Landlord shall supply such utilities to Tenant at such hourly cost to Tenant (which shall be treated as Additional Rent) as Landlord shall from time to time establish.

6.3 Interruption of Use. Tenant agrees that Landlord shall not be liable for damages, by abatement of Rent or otherwise, for failure to furnish or delay in furnishing any service (including telephone and telecommunication services), or for any diminution in the quality or quantity thereof, when such failure or delay or diminution is occasioned, in whole or in part, by breakage, repairs, replacements, or improvements, by any strike, lockout or other labor trouble, by inability to secure electricity, gas, water, or other fuel at the Building or Project after reasonable effort to do so, by any riot or other dangerous condition, emergency, accident or casualty whatsoever, by act or default of Tenant or other parties, or by any other cause beyond Landlord's reasonable control; and such failures or delays or diminution shall never be deemed to constitute an eviction or disturbance of Tenant's use and possession of the Premises or relieve Tenant from paying Rent or performing any of its obligations under this Lease except as otherwise provided in Section 6.4 or elsewhere in the Lease. Furthermore, Landlord shall not be liable under any circumstances for a loss of, or injury to, property or for injury to, or interference with, Tenant's business, including, without limitation, loss of profits, however occurring, through or in connection with or incidental to a failure to furnish any of the services or utilities as set forth in this Article 6.

6.4 Abatement Event. If (i) Landlord fails to perform the obligations required of Landlord under the TCCs of this Lease, (ii) such failure causes all or a portion of the Premises to be untenantable and unusable by Tenant, and (iii) such failure relates to (A) the nonfunctioning of the heat, ventilation, and air conditioning system in the Premises, the electricity in the Premises, the nonfunctioning of the elevator service to the Premises, or (B) a failure to provide access to the Premises, Tenant shall give Landlord notice (the "**Initial Notice**"), specifying such

failure to perform by Landlord (the “**Abatement Event**”). If Landlord has not cured such Abatement Event within five (5) business days after the receipt of the Initial Notice (the “**Eligibility Period**”), Tenant may deliver an additional notice to Landlord (the “**Additional Notice**”), specifying such Abatement Event and Tenant’s intention to abate the payment of Rent under this Lease. If Landlord does not cure such Abatement Event within five (5) business days of receipt of the Additional Notice, Tenant may, upon written notice to Landlord, immediately abate Rent payable under this Lease for that portion of the Premises rendered untenantable and not used by Tenant, for the period beginning on the date five (5) business days after the Initial Notice to the earlier of the date Landlord cures such Abatement Event or the date Tenant recommences the use of such portion of the Premises. Such right to abate Rent shall be Tenant’s sole and exclusive remedy at law or in equity for a Abatement Event. Except as provided in this Section 6.4, nothing contained herein shall be interpreted to mean that Tenant is excused from paying Rent due hereunder.

ARTICLE 7

REPAIRS

Landlord shall maintain in good condition and operating order and keep in good repair and condition the structural portions of the Building, including the foundation, floor/ceiling slabs, roof structure, curtain wall, exterior glass and mullions, columns, beams, shafts (including elevator shafts), stairs, stairwells, elevator cab, men’s and women’s washrooms, Building mechanical, electrical and telephone closets, and all common and public areas servicing the Building, including the parking areas, landscaping and exterior Project signage (collectively, “**Building Structure**”) and the Base Building mechanical, electrical, life safety, plumbing, sprinkler systems and HVAC systems which were not constructed by Tenant Parties (collectively, the “**Building Systems**”) and the Project Common Areas. Notwithstanding anything in this Lease to the contrary, Tenant shall be required to repair the Building Structure and/or the Building Systems to the extent caused due to Tenant’s use of the Premises for other than normal and customary business office operations, unless and to the extent such damage is covered by insurance carried or required to be carried by Landlord pursuant to Article 10 and to which the waiver of subrogation is applicable (such obligation to the extent applicable to Tenant as qualified and conditioned will hereinafter be defined as the “**BS/BS Exception**”). Tenant shall, at Tenant’s own expense, keep the Premises, including all improvements, fixtures, equipment, interior window coverings, and furnishings therein, and the floor or floors of the Building on which the Premises is located, in good order, repair and condition at all times during the Lease Term, but such obligation shall not extend to the Building Structure and the Building Systems except pursuant to the BS/BS Exception; provided that Landlord shall provide janitorial services to the Premises pursuant to Section 6.1.5 above. In addition, Tenant shall, at Tenant’s own expense, but under the supervision and subject to the prior approval of Landlord, and within any reasonable period of time specified by Landlord, promptly and adequately repair all damage to the Premises and replace or repair all damaged, broken, or worn fixtures and appurtenances, but such obligation shall not extend to the Building Structure and the Building Systems except pursuant to the BS/BS Exception, except for damage caused by ordinary wear and tear or beyond the reasonable control of Tenant; provided however, that, at Landlord’s option, or if Tenant fails to make such repairs, Landlord may, after written notice to Tenant and Tenant’s failure to repair within five (5) days thereafter, but need not, make such repairs and replacements, and Tenant shall pay Landlord the cost thereof, including a percentage of the cost thereof (to be uniformly established for the Building and/or the Project) sufficient to reimburse Landlord for all overhead, general conditions, fees and other costs or expenses arising from Landlord’s involvement with such repairs and replacements forthwith upon being billed for same. Landlord may, but shall not be required to, enter the Premises at all reasonable times to make such repairs, alterations, improvements or additions to the Premises or to the Project or to any equipment located in the Project as Landlord shall desire or deem necessary or as Landlord may be required to do by governmental or quasi-governmental authority or court order or decree; provided, however, except for (i) emergencies, (ii) repairs, alterations, improvements or additions required by governmental or quasi-governmental authorities or court order or decree, or (iii) repairs which are the obligation of Tenant hereunder, any such entry into the Premises by Landlord shall be performed in a manner so as not to materially interfere with Tenant’s use of, or access to, the Premises; provided that, with respect to items (ii) and (iii) above, Landlord shall use commercially reasonable efforts to not materially interfere with Tenant’s use of, or access to, the Premises. Tenant hereby waives any and all rights under and benefits of subsection 1 of

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ARTICLE 8

ADDITIONS AND ALTERATIONS

8.1 **Landlord's Consent to Alterations.** Tenant may not make any improvements, alterations, additions or changes to the Premises or any mechanical, plumbing or HVAC facilities or systems pertaining to the Premises (collectively, the "**Alterations**") without first procuring the prior written consent of Landlord to such Alterations, which consent shall be requested by Tenant not less than fifteen (15) business days prior to the commencement thereof, and which consent shall not be unreasonably withheld by Landlord, provided it shall be deemed reasonable for Landlord to withhold its consent to any Alteration which adversely affects the structural portions or the systems or equipment of the Building or is visible from the exterior of the Building. Notwithstanding the foregoing, Tenant shall be permitted to make Alterations following ten (10) business days notice to Landlord, but without Landlord's prior consent, to the extent that such Alterations do not (i) adversely affect the systems and equipment of the Building, exterior appearance of the Building, or structural aspects of the Building, (ii) adversely affect the value of the Premises or Building, (iii) require a building or construction permit, or (iv) cost more than Fifty Thousand and 00/100 Dollars (\$50,000.00) for a particular job of work (the "**Cosmetic Alterations**"). The construction of the initial improvements to the Premises shall be governed by the terms of the Work Letter and not the terms of this **Article 8**.

8.2 **Manner of Construction.** Landlord may impose, as a condition of its consent to any and all Alterations or repairs of the Premises or about the Premises, such requirements as Landlord in its reasonable discretion may deem desirable, including, but not limited to, the requirement that Tenant utilize for such purposes only contractors reasonably approved by Landlord, and any removal and/or restoration obligations required to be performed pursuant to the TCCs of **Section 8.5** of this Lease. If Landlord shall give its consent, the consent shall be deemed conditioned upon Tenant acquiring a permit to do the work from appropriate governmental agencies, the furnishing of a copy of such permit to Landlord prior to the commencement of the work, and the compliance by Tenant with all conditions of said permit in a prompt and expeditious manner. If such Alterations will involve the use of or disturb hazardous materials or substances existing in the Premises, Tenant shall comply with Landlord's rules and regulations concerning such hazardous materials or substances. Tenant shall construct such Alterations and perform such repairs in a good and workmanlike manner, in conformance with any and all applicable federal, state, county or municipal laws, rules and regulations and pursuant to a valid building permit, issued by the city in which the Building is located (or other applicable governmental authority), all in conformance with Landlord's construction rules and regulations; provided, however, that prior to commencing to construct any Alteration, Tenant shall meet with Landlord to discuss Landlord's design parameters and code compliance issues. In the event Tenant performs any Alterations in the Premises which require or give rise to governmentally required changes to the "Base Building," as that term is defined below, then Landlord shall, at Tenant's expense, make such changes to the Base Building. Since all or a portion of the Project is or may become in the future certified under the LEED rating system (or other applicable certification standard) (all in Landlord's sole and absolute discretion), Tenant expressly acknowledges and agrees that without limitation as to other grounds for Landlord withholding its consent to any proposed Alteration, Landlord shall have the right to withhold its consent to any proposed Alteration in the event that such Alteration is not compatible with such certification or recertification of the Project under such LEED rating system (or other applicable certification standard). The "**Base Building**" shall include the structural portions of the Building, and the public restrooms, elevators, exit stairwells and the systems and equipment located in the internal core of the Building on the floor or floors on which the Premises is located. In performing the work of any such Alterations, Tenant shall have the work performed in such manner so as not to obstruct access to the Project or any portion thereof, by any other tenant of the Project, and so as not to obstruct the business of Landlord or other tenants in the Project. Tenant shall retain any union trades to the extent designated by Landlord. Further, Tenant shall not use (and upon notice from Landlord shall cease using) contractors, services, workmen, labor, materials or equipment that, in Landlord's reasonable judgment, would disturb labor harmony with the workforce or trades engaged in performing other work, labor or services in or about the Building or the Common Areas. In addition to Tenant's obligations under **Article 9** of this Lease, upon completion of any Alterations, Tenant agrees to cause a Notice of Completion to be recorded in

the office of the Recorder of the County of San Diego in accordance with Section 8182 of the Civil Code of the State of California or any successor statute, and as a condition precedent to the enforceability and validity of Landlord's consent, Tenant shall deliver to the management office for the Project a reproducible copy of the "as built" and CAD drawings of the Alterations, to the extent applicable, as well as all permits, approvals and other documents issued by any governmental agency in connection with the Alterations.

8.3 **Payment for Improvements.** If payment is made directly to contractors, Tenant shall (i) comply with Landlord's requirements for final lien releases and waivers in connection with Tenant's payment for work to contractors, and (ii) sign Landlord's standard contractor's rules and regulations. If Tenant orders any work directly from Landlord, Tenant shall pay to Landlord an amount equal to three percent (3%) of the cost of such work to compensate Landlord for all overhead, general conditions, fees and other costs and expenses arising from Landlord's involvement with such work. If Tenant does not order any work directly from Landlord, Tenant shall reimburse Landlord for Landlord's reasonable, actual, out-of-pocket costs and expenses actually incurred in connection with Landlord's review of such work.

8.4 **Construction Insurance.** In addition to the requirements of Article 10 of this Lease, in the event that Tenant makes any Alterations, prior to the commencement of such Alterations, Tenant shall provide Landlord with evidence that Tenant carries "Builder's All Risk" insurance in an amount reasonably approved by Landlord covering the construction of such Alterations, and such other insurance as Landlord may reasonably require, it being understood and agreed that all of such Alterations shall be insured by Tenant pursuant to Article 10 of this Lease immediately upon completion thereof. In addition, Landlord may, in its reasonable discretion, require Tenant to obtain a lien and completion bond or some alternate form of security satisfactory to Landlord in an amount sufficient to ensure the lien-free completion of such Alterations and naming Landlord as a co-obligee.

8.5 **Landlord's Property.** Landlord and Tenant hereby acknowledge and agree that (i) all Alterations, improvements, fixtures, equipment and/or appurtenances which may be installed or placed in or about the Premises (excluding Tenant's removable trade fixtures, furniture or non-affixed office equipment), from time to time, shall be at the sole cost of Tenant and shall be and become part of the Premises and the property of Landlord, and (ii) the "Improvements" (as that term is defined in Section 2.1 of the Work Letter) to be constructed in the Premises pursuant to the TCCs of the Work Letter shall, upon completion of the same, be and become a part of the Premises and the property of Landlord, except for the Testing Chambers (defined below). Furthermore, Landlord may, by written notice to Tenant prior to the end of the Lease Term, or given following any earlier termination of this Lease, require Tenant, at Tenant's expense, to remove any Alterations, and to repair any damage to the Premises and Building caused by such removal and return the affected portion of the Premises to a building standard improved condition as determined by Landlord; provided, however, Tenant shall have no obligation to remove the Improvements being constructed pursuant to the Work Letter (excepting only any and all of Tenant's test chambers and equipment and infrastructure associated therewith (collectively and whether installed as Improvements or Alterations, the "**Testing Chambers**")). If Tenant fails to complete such removal and/or to repair any damage caused by the removal of any Alterations or improvements in the Premises, and/or to return the affected portion of the Premises to a building standard improved condition as determined by Landlord, then at Landlord's option, either (A) Tenant shall be deemed to be holding over in the Premises and Rent shall continue to accrue in accordance with the terms of Article 16, below, until such work shall be completed, and/or (B) Landlord may do so and may charge the cost thereof to Tenant. Tenant hereby protects, defends, indemnifies and holds Landlord harmless from any liability, cost, obligation, expense or claim of lien in any manner relating to the installation, placement, removal or financing of any such Alterations, improvements, fixtures and/or equipment in, on or about the Premises, which obligations of Tenant shall survive the expiration or earlier termination of this Lease.

ARTICLE 9

COVENANT AGAINST LIENS

Tenant shall keep the Project and Premises free from any liens or encumbrances arising out of the work performed, materials furnished or obligations incurred by or on behalf of Tenant, and shall protect, defend, indemnify and hold Landlord harmless from and against any claims,

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liabilities, judgments or costs (including, without limitation, reasonable attorneys' fees and costs) arising out of same or in connection therewith. Tenant shall give Landlord notice at least twenty (20) days prior to the commencement of any such work on the Premises (or such additional time as may be necessary under applicable laws) to afford Landlord the opportunity of posting and recording appropriate notices of non-responsibility. Tenant shall remove any such lien or encumbrance by bond or otherwise within five (5) days after notice by Landlord, and if Tenant shall fail to do so, Landlord may pay the amount necessary to remove such lien or encumbrance, without being responsible for investigating the validity thereof. The amount so paid shall be deemed Additional Rent under this Lease payable upon demand, without limitation as to other remedies available to Landlord under this Lease. Nothing contained in this Lease shall authorize Tenant to do any act which shall subject Landlord's title to the Building or Premises to any liens or encumbrances whether claimed by operation of law or express or implied contract. Any claim to a lien or encumbrance upon the Building or Premises arising in connection with any such work or respecting the Premises not performed by or at the request of Landlord shall be null and void, or at Landlord's option shall attach only against Tenant's interest in the Premises and shall in all respects be subordinate to Landlord's title to the Project, Building and Premises.

ARTICLE 10

INDEMNIFICATION AND INSURANCE

10.1 **Indemnification and Waiver.** Except to the extent arising from the gross negligence or willful misconduct of the Landlord or the "Landlord Parties" (as that term is defined below), Tenant hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises from any cause whatsoever and agrees that Landlord, its partners, subpartners and their respective officers, agents, servants, employees, and independent contractors (collectively, "**Landlord Parties**") shall not be liable for, and are hereby released from any responsibility for, any damage either to person or property or resulting from the loss of use thereof, which damage is sustained by Tenant or by other persons claiming through Tenant. Except to the extent arising from the gross negligence or willful misconduct of the Landlord or the Landlord Parties, Tenant shall indemnify, defend, protect, and hold harmless the Landlord Parties from and against any and all loss, cost, damage, expense and liability (including without limitation court costs and reasonable attorneys' fees) incurred in connection with or arising from: (a) any causes in, on or about the Premises; (b) the use or occupancy of the Premises by Tenant or any person claiming under Tenant; (c) any activity, work, or thing done, or permitted or suffered by Tenant in or about the Premises; (d) any acts, omission, or negligence of Tenant or any person claiming under Tenant, or the contractors, agents, employees, invitees, or visitors of Tenant or any such person, in, on or about the Project (collectively, "**Tenant Parties**"); (e) any breach, violation, or non-performance by Tenant or any person claiming under Tenant or the employees, agents, contractors, invitees, or visitors of Tenant or any such person of any term, covenant, or provision of this Lease or any law, ordinance, or governmental requirement of any kind; (f) any injury or damage to the person, property, or business of Tenant, its employees, agents, contractors, invitees, visitors, or any other person entering upon the Premises under the express or implied invitation of Tenant; or (g) the placement of any personal property or other items within the Premises. Should Landlord be named as a defendant in any suit brought against Tenant in connection with or arising out of Tenant's occupancy of the Premises, Tenant shall pay to Landlord its costs and expenses incurred in such suit, including without limitation, its actual professional fees such as appraisers', accountants' and attorneys' fees. Subject to Tenant's indemnification obligations set forth above and the waiver of subrogation provided below, Landlord shall indemnify, defend, protect, and hold harmless Tenant from any and all loss, cost, damage, expense, and liability (including, without limitation, court costs and reasonable attorneys' fees) arising from the gross negligence or willful misconduct of Landlord or the Landlord Parties in, on or about the Park either prior to or during the term of this Lease, except to the extent caused by the gross negligence or willful misconduct of Tenant. Further, Tenant's agreement to indemnify Landlord and Landlord's agreement to indemnify Tenant, each pursuant to this Section 10.1 is not intended and shall not relieve any insurance carrier of its obligations under policies required to be carried by Tenant pursuant to the provisions of this Lease, to the extent such policies cover the matters subject to Tenant's indemnification obligations; nor shall they supersede any inconsistent agreement of the parties set forth in any other provision of this Lease. The provisions of this Section 10.1 shall survive the expiration or sooner termination of

this Lease with respect to any claims or liability arising in connection with any event occurring prior to such expiration or termination.

10.2 **Tenant's Compliance With Landlord's Fire and Casualty Insurance.** Tenant shall, at Tenant's expense, comply with Landlord's insurance company requirements pertaining to the use of the Premises. If Tenant's conduct or use of the Premises causes any increase in the premium for such insurance policies then Tenant shall reimburse Landlord for any such increase. Tenant, at Tenant's expense, shall comply with all rules, orders, regulations or requirements of the American Insurance Association (formerly the National Board of Fire Underwriters) and with any similar body.

10.3 **Tenant's Insurance.** Throughout the Lease Term, Tenant shall maintain the following coverages in the following amounts. The required evidence of coverage must be delivered to Landlord on or before the date required under Section 10.4(I) sub-sections (x) and (y), or Section 10.4(II) below (as applicable). Such policies shall be for a term of at least one (1) year, or the length of the remaining term of this Lease, whichever is less.

10.3.1 Commercial General Liability Insurance, including Broad Form contractual liability covering the insured against claims of bodily injury, personal injury and property damage (including loss of use thereof) based upon or arising out of Tenant's operations, occupancy or maintenance of the Project and all areas appurtenant thereto. Such insurance shall be written on an "occurrence" basis. Landlord and any other party the Landlord so specifies that has a material financial interest in the Project, including Landlord's managing agent, ground lessor and/or lender, if any, shall be named as additional insureds as their interests may appear using Insurance Service Organization's form CG2011 or a comparable form approved by Landlord. Tenant shall provide an endorsement or policy excerpt showing that Tenant's coverage is primary and any insurance carried by Landlord shall be excess and non-contributing. The coverage shall also be extended to include damage caused by heat, smoke or fumes from a hostile fire. The policy shall not contain any intra-insured exclusions as between insured persons or organizations. This policy shall include coverage for all liabilities assumed under this Lease as an insured contract for the performance of all of Tenant's indemnity obligations under this Lease. The limits of said insurance shall not, however, limit the liability of Tenant nor relieve Tenant of any obligation hereunder. Limits of liability insurance shall not be less than the following; provided, however, such limits may be achieved through the use of an Umbrella/Excess Policy:

Bodily Injury and Property Damage Liability	\$5,000,000 each occurrence
Personal Injury and Advertising Liability	\$5,000,000 each occurrence
Tenant Legal Liability/Damage to Rented Premises Liability	\$1,000,000.00

10.3.2 Property Insurance covering (i) all office furniture, personal property, business and trade fixtures, office equipment, free-standing cabinet work, movable partitions, merchandise and all other items of Tenant's business personal property on the Premises installed by, for, or at the expense of Tenant, (ii) the Improvements, and any other improvements which exist in the Premises as of the Lease Commencement Date (excluding the Base Building) (the "**Original Improvements**"), and (iii) all Alterations performed in the Premises. Such insurance shall be written on a Special Form basis, for the full replacement cost value (subject to reasonable deductible amounts), without deduction for depreciation of the covered items and in amounts that meet any co-insurance clauses of the policies of insurance and shall include coverage for (a) all perils included in the CP 10 30 04 02 Coverage Special Form, (b) water damage from any cause whatsoever, including, but not limited to, sprinkler leakage, bursting, leaking or stoppage of any pipes, explosion, and backup or overflow from sewers or drains, and (c) terrorism (to the extent such terrorism insurance is available as a result of the Terrorism Risk Insurance Act of 2002 (Pub. L. 107-297, 116 Stat. 2322), the Terrorism Risk Insurance Program Reauthorization Act of 2005 (Pub. L. 109-144), and the Terrorism Risk Insurance

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Program Reauthorization Act of 2007 (Pub. L. 110-160, 121 Stat. 183), any successor statute or regulation, or is otherwise available at commercially reasonable rates).

10.3.2.1 **Increase in Project's Property Insurance.** Tenant shall pay for any increase in the premiums for the property insurance of the Project if said increase is caused by Tenant's acts, omissions, use or occupancy of the Premises. To Landlord's knowledge as of the date of this Lease, Tenant's Permitted Use of the Premises does not result in such an increase.

10.3.2.2 **Property Damage.** Tenant shall use the proceeds from any such insurance for the replacement of personal property, trade fixtures, Improvements, Original Improvements and Alterations.

10.3.2.3 **No Representation of Adequate Coverage.** Landlord makes no representation that the limits or forms of coverage of insurance specified herein are adequate to cover Tenant's property, business operations or obligations under this Lease.

10.3.2.4 **Property Insurance Subrogation.** Landlord and Tenant intend that their respective property loss risks shall be borne by insurance carriers to the extent above provided (and, in the case of Tenant, by an insurance carrier satisfying the requirements of Section 10.4(i) below), and Landlord and Tenant hereby agree to look solely to, and seek recovery only from, their respective insurance carriers in the event of a property loss to the extent that such coverage is agreed to be provided hereunder. The parties each hereby waive all rights and claims against each other for such losses, and waive all rights of subrogation of their respective insurers. Landlord and Tenant hereby represent and warrant that their respective "all risk" property insurance policies include a waiver of (i) subrogation by the insurers, and (ii) all rights based upon an assignment from its insured, against Landlord and/or any of the Landlord Parties or Tenant and/or any of the Tenant Parties (as the case may be) in connection with any property loss risk thereby insured against. Tenant will cause all subtenants and licensees of the Premises claiming by, under, or through Tenant to execute and deliver to Landlord a waiver of claims similar to the waiver in this Section 10.3.2.4 and to obtain such waiver of subrogation rights endorsements. If either party hereto fails to maintain the waivers set forth in items (i) and (ii) above, the party not maintaining the requisite waivers shall indemnify, defend, protect, and hold harmless the other party for, from and against any and all claims, losses, costs, damages, expenses and liabilities (including, without limitation, court costs and reasonable attorneys' fees) arising out of, resulting from, or relating to, such failure.

10.3.3 Business Income Interruption for one year (1) plus Extra Expense insurance in such amounts as will reimburse Tenant for actual direct or indirect loss of earnings attributable to the risks outlined in Section 10.3.2 above.

10.3.4 Worker's Compensation or other similar insurance pursuant to all applicable state and local statutes and regulations, and Employer's Liability with minimum limits of not less than \$1,000,000 each accident/employee/disease.

10.3.5 Commercial Automobile Liability Insurance covering all Owned (if any), Hired, or Non-owned vehicles with limits not less than \$1,000,000 combined single limit for bodily injury and property damage.

10.4 **Form of Policies.** The minimum limits of policies of insurance required of Tenant under this Lease shall in no event limit the liability of Tenant under this Lease. Such insurance shall (i) be issued by an insurance company having an AM Best rating of not less than A-X (or to the extent AM Best ratings are no longer available, then a similar rating from another comparable rating agency), or which is otherwise acceptable to Landlord and licensed to do business in the State of California, (ii) be in form and content reasonably acceptable to Landlord and complying with the requirements of Section 10.3 (including, Sections 10.3.1 through 10.3.5), (iii) Tenant shall not do or permit to be done anything which invalidates the required insurance policies, and (iv) provide that said insurance shall not be canceled or coverage changed unless thirty (30) days' prior written notice shall have been given to Landlord and any mortgagee of Landlord, the identity of whom has been provided to Tenant in writing. Tenant shall deliver said policy or policies or certificates thereof and applicable endorsements which meet the requirements of this Article 10 to Landlord on or before (I) the earlier to occur of: (x) the Lease Commencement Date, and (y) the date Tenant and/or its employees, contractors and/or agents

first enter the Premises for occupancy, construction of improvements, alterations, or any other move-in activities, and (II) five (5) business days after the renewal of such policies. In the event Tenant shall fail to procure such insurance, or to deliver such policies or certificates and applicable endorsements, Landlord may, at its option, after written notice to Tenant and Tenant's failure to obtain such insurance within five (5) days thereafter, procure such policies for the account of Tenant and the sole benefit of Landlord, and the cost thereof shall be paid to Landlord after delivery to Tenant of bills therefor.

10.5 **Additional Insurance Obligations.** Tenant shall carry and maintain during the entire Lease Term, at Tenant's sole cost and expense, increased amounts of the insurance required to be carried by Tenant pursuant to this Article 10 and such other reasonable types of insurance coverage and in such reasonable amounts covering the Premises and Tenant's operations therein, as may be reasonably requested by Landlord.

10.6 **Third-Party Contractors.** Tenant shall obtain and deliver to Landlord, Third Party Contractor's certificates of insurance and applicable endorsements at least seven (7) business days prior to the commencement of work in or about the Premises by any vendor or any other third-party contractor (collectively, a "**Third Party Contractor**"). All such insurance shall (a) name Landlord as an additional insured under such party's liability policies as required by Section 10.3.1 above and this Section 10.6, (b) provide a waiver of subrogation in favor of Landlord under such Third Party Contractor's commercial general liability insurance, (c) be primary and any insurance carried by Landlord shall be excess and non-contributing, and (d) comply with Landlord's minimum insurance requirements.

ARTICLE 11

DAMAGE AND DESTRUCTION

11.1 **Repair of Damage to Premises by Landlord.** If the Base Building or any Common Areas serving or providing access to the Premises shall be damaged by a fire or any other casualty (collectively, a "**Casualty**"), Landlord shall promptly and diligently, subject to reasonable delays for insurance adjustment or other matters beyond Landlord's reasonable control, and subject to all other terms of this Article 11, restore the Base Building and such Common Areas. Such restoration shall be to substantially the same condition of the Base Building and the Common Areas prior to the Casualty, except for modifications required by zoning and building codes and other laws or by the holder of a mortgage on the Building or Project or any other modifications to the Common Areas deemed desirable by Landlord, which are consistent with the character of the Project, provided that access to the Premises and any common restrooms serving the Premises shall not be materially impaired. Tenant shall promptly notify Landlord upon the occurrence of any damage to the Premises resulting from a Casualty, and Tenant shall promptly inform its insurance carrier of any such damage. Upon notice (the "**Landlord Repair Notice**") to Tenant from Landlord, Tenant shall assign to Landlord (or to any party designated by Landlord) the portion of the insurance proceeds payable to Tenant under Tenant's insurance required under Section 10.3.2(ii) and Section 10.3.2(iii) of this Lease with respect to the Improvements and Original Improvements, and Landlord shall repair any injury or damage to the Improvements and the Original Improvements installed in the Premises and shall return such Improvements and the Original Improvements to their original condition; provided that if the cost of such repair by Landlord exceeds the amount of insurance proceeds received by Landlord from Tenant's insurance carrier, as assigned by Tenant, the cost of such repairs shall be paid by Tenant to Landlord prior to Landlord's commencement of repair of the damage. In the event that Landlord does not deliver the Landlord Repair Notice within a reasonable time not less than sixty (60) days following the date the Casualty becomes known to Landlord, Tenant shall, at its sole cost and expense, repair any injury or damage to the Improvements and the Original Improvements installed in the Premises and shall return such Improvements and Original Improvements to their original condition. Whether or not Landlord delivers a Landlord Repair Notice, prior to the commencement of construction, Tenant shall submit to Landlord, for Landlord's review and approval, all plans, specifications and working drawings relating thereto, and Landlord shall select the contractors to perform such improvement work. Landlord shall not be liable for any inconvenience or annoyance to Tenant or its visitors, or injury to Tenant's business resulting in any way from such damage or the repair thereof; provided however, that if such Casualty shall have damaged the Premises or Common Areas necessary to Tenant's occupancy, and the Premises is not occupied by Tenant as a result thereof, then during the time and to the extent the Premises is unfit for occupancy, the Rent shall be abated in proportion to

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the ratio that the amount of rentable square feet of the Premises which is unfit for occupancy for the purposes permitted under this Lease bears to the total rentable square feet of the Premises. In the event that Landlord shall not deliver the Landlord Repair Notice, Tenant's right to rent abatement pursuant to the preceding sentence shall terminate as of the date which is reasonably determined by Landlord to be the date Tenant should have completed repairs to the Premises assuming Tenant used reasonable due diligence in connection therewith.

11.2 Landlord's Option to Repair. Notwithstanding the terms of Section 11.1 of this Lease, Landlord may elect not to rebuild and/or restore the Premises, Building and/or Project, and instead terminate this Lease, by notifying Tenant in writing of such termination within sixty (60) days after the date of discovery of the damage, such notice to include a termination date giving Tenant sixty (60) days to vacate the Premises, but Landlord may so elect only if the Building or Project shall be damaged by Casualty, whether or not the Premises is affected, and one or more of the following conditions is present: (i) in Landlord's reasonable judgment, repairs cannot reasonably be completed within one hundred eighty (180) days after the date of discovery of the damage (when such repairs are made without the payment of overtime or other premiums); (ii) the holder of any mortgage on the Building or Project or ground lessor with respect to the Building or Project shall require that the insurance proceeds or any portion thereof be used to retire the mortgage debt, or shall terminate the ground lease, as the case may be; (iii) the damage in all material respects is not fully covered by Landlord's and Tenant's insurance policies; (iv) Landlord decides to rebuild the Building or Common Areas so that they will be substantially different structurally or architecturally; (v) the damage occurs during the last twelve (12) months of the Lease Term; or (vi) any owner of any other portion of the Project, other than Landlord, does not intend to repair the damage to such portion of the Project; provided, however, that if Landlord does not elect to terminate this Lease pursuant to Landlord's termination right as provided above, and the repairs cannot, in the reasonable opinion of Landlord, be completed within one hundred eighty (180) days after being commenced, Tenant may elect, no earlier than sixty (60) days after the date of the damage and not later than ninety (90) days after the date of such damage, to terminate this Lease by written notice to Landlord effective as of the date specified in the notice, which date shall not be less than thirty (30) days nor more than sixty (60) days after the date such notice is given by Tenant. Furthermore, if neither Landlord nor Tenant has terminated this Lease, and the repairs are not actually completed within the period of time originally estimated by Landlord, Tenant shall have the right to terminate this Lease during the first five (5) business days of each calendar month following the end of such period until such time as the repairs are complete, by notice to Landlord (the "**Damage Termination Notice**"), effective as of a date set forth in the Damage Termination Notice (the "**Damage Termination Date**"), which Damage Termination Date shall not be less than ten (10) business days following the end of each such month. Notwithstanding the foregoing, if Tenant delivers a Damage Termination Notice to Landlord, then Landlord shall have the right to suspend the occurrence of the Damage Termination Date for a period ending thirty (30) days after the Damage Termination Date set forth in the Damage Termination Notice by delivering to Tenant, within five (5) business days of Landlord's receipt of the Damage Termination Notice, a certificate of Landlord's contractor responsible for the repair of the damage certifying that it is such contractor's good faith judgment that the repairs shall be substantially completed within thirty (30) days after the Damage Termination Date. If repairs shall be substantially completed prior to the expiration of such thirty-day period, then the Damage Termination Notice shall be of no force or effect, but if the repairs shall not be substantially completed within such thirty-day period, then this Lease shall terminate upon the expiration of such thirty-day period. At any time, from time to time, after the date occurring sixty (60) days after the date of the damage, Tenant may request that Landlord inform Tenant of Landlord's reasonable opinion of the date of completion of the repairs and Landlord shall respond to such request within five (5) business days. Notwithstanding the provisions of this Section 11.2, Tenant shall have the right to terminate this Lease under this Section 11.2 only if each of the following conditions is satisfied: (a) the damage to the Project by Casualty was not caused by the gross negligence or intentional act of Tenant or its partners or subpartners and their respective officers, agents, servants, employees, and independent contractors; (b) Tenant is not then in default under this Lease; (c) as a result of the damage, Tenant cannot reasonably conduct business from the Premises; and, (d) as a result of the damage to the Project, Tenant does not occupy or use at least fifty percent (50%) the Premises. In the event this Lease is terminated in accordance with the terms of this Section 11.2, Tenant shall assign to Landlord (or to any party designated by Landlord) all insurance proceeds payable to Tenant under Tenant's insurance required under items (ii) and (iii) of Section 10.3.2 of this Lease.

11.3 **Waiver of Statutory Provisions.** The provisions of this Lease, including this [Article 11](#), constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Premises, the Building or the Project, and any statute or regulation of the State of California, including, without limitation, Sections 1932(2) and 1933(4) of the California Civil Code, with respect to any rights or obligations concerning damage or destruction in the absence of an express agreement between the parties, and any other statute or regulation, now or hereafter in effect, shall have no application to this Lease or any damage or destruction to all or any part of the Premises, the Building or the Project.

ARTICLE 12

NONWAIVER

No provision of this Lease shall be deemed waived by either party hereto unless expressly waived in a writing signed thereby. The waiver by either party hereto of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of same or any other term, covenant or condition herein contained. The subsequent acceptance of Rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent. No acceptance of a lesser amount than the Rent herein stipulated shall be deemed a waiver of Landlord's right to receive the full amount due, nor shall any endorsement or statement on any check or payment or any letter accompanying such check or payment be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the full amount due. No receipt of monies by Landlord from Tenant after the termination of this Lease shall in any way alter the length of the Lease Term or of Tenant's right of possession hereunder, or after the giving of any notice shall reinstate, continue or extend the Lease Term or affect any notice given Tenant prior to the receipt of such monies, it being agreed that after the service of notice or the commencement of a suit, or after final judgment for possession of the Premises, Landlord may receive and collect any Rent due, and the payment of said Rent shall not waive or affect said notice, suit or judgment.

ARTICLE 13

CONDEMNATION

If the whole or any part of the Premises, Building or Project shall be taken by power of eminent domain or condemned by any competent authority for any public or quasi-public use or purpose, or if any adjacent property or street shall be so taken or condemned, or reconfigured or vacated by such authority in such manner as to require the use, reconstruction or remodeling of any part of the Premises, Building or Project, or if Landlord shall grant a deed or other instrument in lieu of such taking by eminent domain or condemnation, Landlord shall have the option to terminate this Lease effective as of the date possession is required to be surrendered to the authority. If more than twenty-five percent (25%) of the rentable square feet of the Premises is taken, or if access to the Premises is substantially impaired, in each case for a period in excess of one hundred eighty (180) days, Tenant shall have the option to terminate this Lease effective as of the date possession is required to be surrendered to the authority. Tenant shall not because of such taking assert any claim against Landlord or the authority for any compensation because of such taking and Landlord shall be entitled to the entire award or payment in connection therewith, except that Tenant shall have the right to file any separate claim available to Tenant for any taking of Tenant's personal property and fixtures belonging to Tenant and removable by Tenant upon expiration of the Lease Term pursuant to the terms of this Lease, and for moving expenses, so long as such claims do not diminish the award available to Landlord, its ground lessor with respect to the Building or Project or its mortgagee, and such claim is payable separately to Tenant. All Rent shall be apportioned as of the date of such termination. If any part of the Premises shall be taken, and this Lease shall not be so terminated, the Rent shall be proportionately abated. Tenant hereby waives any and all rights it might otherwise have pursuant to Section 1265.130 of The California Code of Civil Procedure. Notwithstanding anything to the contrary contained in this [Article 13](#), in the event of a temporary taking of all or any portion of the Premises for a period of one hundred and eighty (180) days or less, then this Lease shall not terminate but the Base Rent and the Additional Rent shall be abated for the

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period of such taking in proportion to the ratio that the amount of rentable square feet of the Premises taken bears to the total rentable square feet of the Premises. Landlord shall be entitled to receive the entire award made in connection with any such temporary taking.

ARTICLE 14

ASSIGNMENT AND SUBLETTING

14.1 **Transfers.** Tenant shall not, without the prior written consent of Landlord, assign, mortgage, pledge, hypothecate, encumber, or permit any lien to attach to, or otherwise transfer, this Lease or any interest hereunder, permit any assignment, or other transfer of this Lease or any interest hereunder by operation of law, sublet the Premises or any part thereof, or enter into any license or concession agreements or otherwise permit the occupancy or use of the Premises or any part thereof by any persons other than Tenant and its employees and contractors (all of the foregoing are hereinafter sometimes referred to collectively as “**Transfers**” and any person or entity to whom any Transfer is made or sought to be made is hereinafter sometimes referred to as a “**Transferee**”). If Tenant desires Landlord’s consent to any Transfer, Tenant shall notify Landlord in writing, which notice (the “**Transfer Notice**”) shall include (i) the proposed effective date of the Transfer, which shall not be less than thirty (30) days nor more than one hundred eighty (180) days after the date of delivery of the Transfer Notice, (ii) a description of the portion of the Premises to be transferred (the “**Subject Space**”), (iii) all of the terms of the proposed Transfer and the consideration therefor, including calculation of the “**Transfer Premium**”, as that term is defined in Section 14.3 below, in connection with such Transfer, the name and address of the proposed Transferee, and a copy of all existing executed and/or proposed documentation pertaining to the proposed Transfer, including all existing operative documents to be executed to evidence such Transfer or the agreements incidental or related to such Transfer, provided that Landlord shall have the right to require Tenant to utilize Landlord’s standard Transfer documents in connection with the documentation of such Transfer, (iv) current financial statements of the proposed Transferee certified by an officer, partner or owner thereof, business credit and personal references and history of the proposed Transferee and any other information required by Landlord which will enable Landlord to determine the financial responsibility, character, and reputation of the proposed Transferee, nature of such Transferee’s business and proposed use of the Subject Space and (v) an executed estoppel certificate from Tenant in the form attached hereto as **Exhibit E**. Any Transfer made without Landlord’s prior written consent shall, at Landlord’s option, be null, void and of no effect, and shall, at Landlord’s option, constitute a default by Tenant under this Lease. Whether or not Landlord consents to any proposed Transfer, Tenant shall pay Landlord’s review and processing fees, as well as any reasonable professional fees (including, without limitation, attorneys’, accountants’, architects’, engineers’ and consultants’ fees) incurred by Landlord, within thirty (30) days after written request by Landlord.

14.2 **Landlord’s Consent.** Landlord shall not unreasonably withhold its consent to any proposed Transfer of the Subject Space to the Transferee on the terms specified in the Transfer Notice. Without limitation as to other reasonable grounds for withholding consent, the parties hereby agree that it shall be reasonable under this Lease and under any applicable law for Landlord to withhold consent to any proposed Transfer where one or more of the following apply:

14.2.1 The Transferee is of a character or reputation or engaged in a business which is not consistent with the quality of the Building or the Project, or would be a significantly less prestigious occupant of the Building than Tenant;

14.2.2 The Transferee intends to use the Subject Space for purposes which are not permitted under this Lease;

14.2.3 The Transferee is either a governmental agency or instrumentality thereof;

14.2.4 The Transferee is not a party of reasonable financial worth and/or financial stability in light of the responsibilities to be undertaken in connection with the Transfer on the date consent is requested;

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14.2.5 The proposed Transfer would cause a violation of another lease for space in the Project, or would give an occupant of the Project a right to cancel its lease;

14.2.6 The terms of the proposed Transfer will allow the Transferee to exercise a right of renewal, right of expansion, right of first offer, or other similar right held by Tenant (or will allow the Transferee to occupy space leased by Tenant pursuant to any such right); or

14.2.7 Either the proposed Transferee, or any person or entity which directly or indirectly, controls, is controlled by, or is under common control with, the proposed Transferee, (i) occupies space in the Project at the time of the request for consent, or (ii) is negotiating with Landlord to lease space in the Project at such time, or (iii) has negotiated with Landlord during the twelve (12)-month period immediately preceding the Transfer Notice; or

14.2.8 The Transferee does not intend to occupy the entire Premises and conduct its business therefrom for a substantial portion of the term of the Transfer.

If Landlord consents to any Transfer pursuant to the terms of this Section 14.2 (and does not exercise any recapture rights Landlord may have under Section 14.4 of this Lease), Tenant may within six (6) months after Landlord's consent, but not later than the expiration of said six (6)-month period, enter into such Transfer of the Premises or portion thereof, upon substantially the same terms and conditions as are set forth in the Transfer Notice furnished by Tenant to Landlord pursuant to Section 14.1 of this Lease, provided that if there are any changes in the terms and conditions from those specified in the Transfer Notice (i) such that Landlord would initially have been entitled to refuse its consent to such Transfer under this Section 14.2, or (ii) which would cause the proposed Transfer to be more favorable to the Transferee than the terms set forth in Tenant's original Transfer Notice, Tenant shall again submit the Transfer to Landlord for its approval and other action under this Article 14 (including Landlord's right of recapture, if any, under Section 14.4 of this Lease). Notwithstanding anything to the contrary in this Lease, if Tenant or any proposed Transferee claims that Landlord has unreasonably withheld or delayed its consent under this Section 14.2 or otherwise has breached or acted unreasonably under this Article 14, their sole remedies shall be a declaratory judgment and an injunction for the relief sought without any monetary damages, and Tenant hereby waives the provisions of Section 1995.310 of the California Civil Code, or any successor statute, and all other remedies, including, without limitation, any right at law or equity to terminate this Lease, on its own behalf and, to the extent permitted under all applicable laws, on behalf of the proposed Transferee. Tenant shall indemnify, defend and hold harmless Landlord from any and all liability, losses, claims, damages, costs, expenses, causes of action and proceedings involving any third party or parties (including without limitation Tenant's proposed subtenant or assignee) who claim they were damaged by Landlord's wrongful withholding or conditioning of Landlord's consent.

14.3 **Transfer Premium.** If Landlord consents to a Transfer, as a condition thereto which the parties hereby agree is reasonable, Tenant shall pay to Landlord fifty percent (50%) of any "Transfer Premium," as that term is defined in this Section 14.3, received by Tenant from such Transferee. "Transfer Premium" shall mean all rent, additional rent or other consideration payable by such Transferee in connection with the Transfer in excess of the Rent and Additional Rent payable by Tenant under this Lease during the term of the Transfer on a per rentable square foot basis if less than all of the Premises is transferred, after deducting the reasonable expenses incurred by Tenant for (i) any changes, alterations and improvements to the Premises in connection with the Transfer, (ii) any free base rent or other economic concessions reasonably provided to the Transferee, and (iii) any brokerage commissions in connection with the Transfer. "Transfer Premium" shall also include, but not be limited to, key money, bonus money or other cash consideration paid by Transferee to Tenant in connection with such Transfer, and any payment in excess of fair market value for services rendered by Tenant to Transferee or for assets, fixtures, inventory, equipment, or furniture transferred by Tenant to Transferee in connection with such Transfer.

14.4 **Intentionally omitted**

14.5 **Effect of Transfer.** If Landlord consents to a Transfer, (i) the TCCs of this Lease shall in no way be deemed to have been waived or modified, (ii) such consent shall not be deemed consent to any further Transfer by either Tenant or a Transferee, (iii) Tenant shall deliver to Landlord, promptly after execution, an original executed copy of all documentation pertaining to the Transfer in form reasonably acceptable to Landlord, (iv) Tenant shall furnish

upon Landlord's request a complete statement, certified by an independent certified public accountant, or Tenant's chief financial officer, setting forth in detail the computation of any Transfer Premium Tenant has derived and shall derive from such Transfer, and (v) no Transfer relating to this Lease or agreement entered into with respect thereto, whether with or without Landlord's consent, shall relieve Tenant or any guarantor of the Lease from any liability under this Lease, including, without limitation, in connection with the Subject Space. Landlord or its authorized representatives shall have the right at all reasonable times to audit the books, records and papers of Tenant relating to any Transfer, and shall have the right to make copies thereof. If the Transfer Premium respecting any Transfer shall be found understated, Tenant shall, within thirty (30) days after demand, pay the deficiency, and if understated by more than two percent (2%), Tenant shall pay Landlord's costs of such audit.

14.6 **Additional Transfers.** For purposes of this Lease, the term "Transfer" shall also include (i) if Tenant is a partnership, the withdrawal or change, voluntary, involuntary or by operation of law, of more than fifty percent (50%) or more of the partners, or transfer of more than fifty percent (50%) or more of partnership interests, within a twelve (12)-month period, or the dissolution of the partnership without immediate reconstitution thereof, and (ii) if Tenant is a closely held corporation (*i.e.*, whose stock is not publicly held and not traded through an exchange or over the counter), (A) the dissolution of Tenant or (B) the sale or other transfer of an aggregate of more than fifty percent (50%) or more of the voting shares of Tenant (other than to existing shareholders, immediate family members or trusts by reason of gift or death), within a twelve (12)-month period, or (C) the sale, mortgage, hypothecation or pledge of an aggregate of more than fifty percent (50%) or more of the value of the unencumbered assets of Tenant within a twelve (12)-month period.

14.7 **Occurrence of Default.** Any Transfer hereunder shall be subordinate and subject to the provisions of this Lease, and if this Lease shall be terminated during the term of any Transfer, Landlord shall have the right to: (i) treat such Transfer as cancelled and repossess the Subject Space by any lawful means, or (ii) require that such Transferee attorn to and recognize Landlord as its landlord under any such Transfer. If Tenant shall be in default under this Lease, Landlord is hereby irrevocably authorized, as Tenant's agent and attorney-in-fact, to direct any Transferee to make all payments under or in connection with the Transfer directly to Landlord (which Landlord shall apply towards Tenant's obligations under this Lease) until such default is cured. Such Transferee shall rely on any representation by Landlord that Tenant is in default hereunder, without any need for confirmation thereof by Tenant. Upon any assignment, the assignee shall assume in writing all obligations and covenants of Tenant thereafter to be performed or observed under this Lease. No collection or acceptance of rent by Landlord from any Transferee shall be deemed a waiver of any provision of this Article 14 or the approval of any Transferee or a release of Tenant from any obligation under this Lease, whether theretofore or thereafter accruing. In no event shall Landlord's enforcement of any provision of this Lease against any Transferee be deemed a waiver of Landlord's right to enforce any term of this Lease against Tenant or any other person. If Tenant's obligations hereunder have been guaranteed, Landlord's consent to any Transfer shall not be effective unless the guarantor also consents to such Transfer.

14.8 **Deemed Consent Transfers.** Notwithstanding anything to the contrary contained in this Lease, (A) an assignment or subletting of all or a portion of the Premises to an affiliate of Tenant (an entity which is controlled by, controls, or is under common control with, Tenant as of the date of this Lease), (B) (i) a sale of stock by the Tenant in a public or private offering not resulting in a material change of management of the company, (ii) a merger, consolidation or reorganization where the resulting entity continues the business operations of the Tenant, or (iii) any transfer of Tenant's stock on a nationally-recognized stock exchange, (C) an assignment of the Lease to an entity which acquires all or substantially all of the stock or assets of Tenant, or (D) an assignment of the Lease to an entity which is the resulting entity of a merger or consolidation of Tenant during the Lease Term, shall not be deemed a Transfer requiring Landlord's consent under this Article 14 (any such assignee or sublessee described in items (A) through (D) of this Section 14.8 hereinafter referred to as a "Permitted Transferee"), provided that (i) Tenant notifies Landlord at least thirty (30) days prior to the effective date of any such assignment or sublease and promptly supplies Landlord with any documents or information reasonably requested by Landlord regarding such Transfer or Permitted Transferee as set forth above, (ii) Tenant is not in default, beyond the applicable notice and cure period, and such assignment or sublease is not a subterfuge by Tenant to avoid its obligations under this Lease, (iii) such Permitted Transferee shall be of a character and reputation consistent with the quality

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of the Building, (iv) for Transfers in (A), (C) or (D) above, such Permitted Transferee shall have a tangible net worth (not including goodwill as an asset) computed in accordance with generally accepted accounting principles (“**Net Worth**”) at least equal to the Net Worth of Tenant on the day immediately preceding the effective date of such assignment or sublease, (v) no assignment or sublease relating to this Lease, whether with or without Landlord’s consent, shall relieve Tenant from any liability under this Lease, and (vi) the liability of such Permitted Transferee under either an assignment or sublease shall be joint and several with Tenant. An assignee of Tenant’s entire interest in this Lease who qualifies as a Permitted Transferee may also be referred to herein as a “**Permitted Transferee Assignee**.” “**Control**,” as used in this [Section 14.8](#), shall mean the ownership, directly or indirectly, of more than fifty percent (50%) of the voting securities of, or possession of the right to vote, in the ordinary direction of its affairs, of more than fifty percent (50%) of the voting interest in, any person or entity.

ARTICLE 15

SURRENDER OF PREMISES; OWNERSHIP AND REMOVAL OF TRADE FIXTURES

15.1 **Surrender of Premises.** No act or thing done by Landlord or any agent or employee of Landlord during the Lease Term shall be deemed to constitute an acceptance by Landlord of a surrender of the Premises unless such intent is specifically acknowledged in writing by Landlord. The delivery of keys to the Premises to Landlord or any agent or employee of Landlord shall not constitute a surrender of the Premises or effect a termination of this Lease, whether or not the keys are thereafter retained by Landlord, and notwithstanding such delivery Tenant shall be entitled to the return of such keys at any reasonable time upon request until this Lease shall have been properly terminated. The voluntary or other surrender of this Lease by Tenant, whether accepted by Landlord or not, or a mutual termination hereof, shall not work a merger, and at the option of Landlord shall operate as an assignment to Landlord of all subleases or subtenancies affecting the Premises or terminate any or all such sublessees or subtenancies.

15.2 **Removal of Tenant Property by Tenant.** Upon the expiration of the Lease Term, or upon any earlier termination of this Lease, Tenant shall, subject to the provisions of this [Article 15](#), quit and surrender possession of the Premises to Landlord in as good order and condition as when Tenant took possession and as thereafter improved by Landlord and/or Tenant, reasonable wear and tear and repairs which are specifically made the responsibility of Landlord hereunder excepted. Upon such expiration or termination, in addition to Tenant’s obligations under [Section 29.32](#), below, Tenant shall, without expense to Landlord, remove or cause to be removed from the Premises all debris and rubbish, and such items of furniture, equipment, business and trade fixtures, free-standing cabinet work, server and telephone equipment, movable partitions and other articles of personal property owned by Tenant or installed or placed by Tenant at its expense in the Premises (specifically including, but not limited to, any and all of the Testing Chambers), and such similar articles of any other persons claiming under Tenant, as Landlord may, in its sole discretion, require to be removed, and Tenant shall repair at its own expense all damage to the Premises and Building resulting from such removal.

ARTICLE 16

HOLDING OVER

If Tenant holds over after the expiration of the Lease Term or earlier termination thereof, with or without the express or implied consent of Landlord, such tenancy shall be from month-to-month only, and shall not constitute a renewal hereof or an extension for any further term, and in such case Rent shall be payable at a monthly rate equal to the product of (A) the greater of (i) the Rent applicable during the last rental period of the Lease Term under this Lease, and (ii) the then fair market value applicable to the Premises as reasonably determined by Landlord, and (B) a percentage equal to (i) one hundred fifty percent (150%) during the first two (2) months immediately following the expiration or earlier termination of the Lease Term, and (ii) two hundred percent (200%) thereafter. Such month-to-month tenancy shall be subject to every other applicable term, covenant and agreement contained herein. Nothing contained in this [Article 16](#) shall be construed as consent by Landlord to any holding over by Tenant, and Landlord expressly reserves the right to require Tenant to surrender possession of the Premises to Landlord as provided in this Lease upon the expiration or other termination of this Lease. The provisions of

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this Article 16 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law. If Tenant fails to surrender the Premises upon the termination or expiration of this Lease, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from all loss, costs (including reasonable attorneys' fees) and liability resulting from such failure, including, without limiting the generality of the foregoing, any claims made by any succeeding tenant founded upon such failure to surrender and any lost profits to Landlord resulting therefrom.

ARTICLE 17

ESTOPPEL CERTIFICATES

Within fifteen (15) days following a request in writing by Landlord, Tenant shall execute, acknowledge and deliver to Landlord an estoppel certificate, which, as submitted by Landlord, shall be substantially in the form of Exhibit E, attached hereto (or such other form as may be required by any prospective mortgagee or purchaser of the Project, or any portion thereof), indicating therein any exceptions thereto that may exist at that time, and shall also contain any other information reasonably requested by Landlord or Landlord's mortgagee or prospective mortgagee. Any such certificate may be relied upon by any prospective mortgagee or purchaser of all or any portion of the Project. Tenant shall execute and deliver whatever other instruments may be reasonably required for such purposes. At any time during the Lease Term, Landlord may require Tenant to provide Landlord with a current financial statement and financial statements of the two (2) years prior to the current financial statement year. Such statements shall be prepared in accordance with generally accepted accounting principles and, if such is the normal practice of Tenant, shall be audited by an independent certified public accountant. Failure of Tenant to timely execute, acknowledge and deliver such estoppel certificate or other instruments shall constitute an acceptance of the Premises and an acknowledgment by Tenant that statements included in the estoppel certificate are true and correct, without exception.

ARTICLE 18

SUBORDINATION

This Lease shall be subject and subordinate to all present and future ground or underlying leases of the Building or Project and to the lien of any mortgage, trust deed or other encumbrances now or hereafter in force against the Building or Project or any part thereof, if any, and to all renewals, extensions, modifications, consolidations and replacements thereof, and to all advances made or hereafter to be made upon the security of such mortgages or trust deeds, unless the holders of such mortgages, trust deeds or other encumbrances, or the lessors under such ground lease or underlying leases, require in writing that this Lease be superior thereto. Tenant covenants and agrees in the event any proceedings are brought for the foreclosure of any such mortgage or deed in lieu thereof (or if any ground lease is terminated), to attorn, without any deductions or set-offs whatsoever, to the lienholder or purchaser or any successors thereto upon any such foreclosure sale or deed in lieu thereof (or to the ground lessor), if so requested to do so by such purchaser or lienholder or ground lessor, and to recognize such purchaser or lienholder or ground lessor as the lessor under this Lease, provided such lienholder or purchaser or ground lessor shall agree to accept this Lease and not disturb Tenant's occupancy, so long as Tenant timely pays the rent and observes and performs the TCCs of this Lease to be observed and performed by Tenant. Landlord's interest herein may be assigned as security at any time to any lienholder. Tenant shall, within ten (10) days of request by Landlord, execute such further instruments or assurances as Landlord may reasonably deem necessary to evidence or confirm the subordination or superiority of this Lease to any such mortgages, trust deeds, ground leases or underlying leases. Tenant waives the provisions of any current or future statute, rule or law which may give or purport to give Tenant any right or election to terminate or otherwise adversely affect this Lease and the obligations of the Tenant hereunder in the event of any foreclosure proceeding or sale.

ARTICLE 19

DEFAULTS; REMEDIES

19.1 Events of Default. The occurrence of any of the following shall constitute a default of this Lease by Tenant:

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19.1.1 Any failure by Tenant to pay any Rent or any other charge required to be paid under this Lease, or any part thereof, when due unless such failure is cured within five (5) business days after notice; or

19.1.2 Except where a specific time period is otherwise set forth for Tenant's performance in this Lease, in which event the failure to perform by Tenant within such time period shall be a default by Tenant under this Section 19.1.2, any failure by Tenant to observe or perform any other provision, covenant or condition of this Lease to be observed or performed by Tenant where such failure continues for thirty (30) days after written notice thereof from Landlord to Tenant; provided that if the nature of such default is such that the same cannot reasonably be cured within a thirty (30) day period, Tenant shall not be deemed to be in default if it diligently commences such cure within such period and thereafter diligently proceeds to rectify and cure such default, but in no event exceeding a period of time in excess of sixty (60) days after written notice thereof from Landlord to Tenant; or

19.1.3 To the extent permitted by law, (i) Tenant or any guarantor of this Lease being placed into receivership or conservatorship, or becoming subject to similar proceedings under Federal or State law, or (ii) a general assignment by Tenant or any guarantor of this Lease for the benefit of creditors, or (iii) the taking of any corporate action in furtherance of bankruptcy or dissolution whether or not there exists any proceeding under an insolvency or bankruptcy law, or (iv) the filing by or against Tenant or any guarantor of any proceeding under an insolvency or bankruptcy law, unless in the case of such a proceeding filed against Tenant or any guarantor the same is dismissed within sixty (60) days, or (v) the appointment of a trustee or receiver to take possession of all or substantially all of the assets of Tenant or any guarantor, unless possession is restored to Tenant or such guarantor within thirty (30) days, or (vi) any execution or other judicially authorized seizure of all or substantially all of Tenant's assets located upon the Premises or of Tenant's interest in this Lease, unless such seizure is discharged within thirty (30) days; or

19.1.4 Abandonment or vacation of all or a substantial portion of the Premises by Tenant; or

19.1.5 The failure by Tenant to observe or perform according to the provisions of Articles 5, 14, 17 or 18 of this Lease where such failure continues for more than five (5) business days after notice from Landlord; or

19.1.6 Tenant's failure to occupy the Premises within ten (10) business days after the Lease Commencement Date.

The notice periods provided herein are in lieu of, and not in addition to, any notice periods provided by law.

19.2 **Remedies Upon Default.** Upon the occurrence of any event of default by Tenant, Landlord shall have, in addition to any other remedies available to Landlord at law or in equity (all of which remedies shall be distinct, separate and cumulative), the option to pursue any one or more of the following remedies, each and all of which shall be cumulative and nonexclusive, without any notice or demand whatsoever.

19.2.1 Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim or damages therefor; and Landlord may recover from Tenant the following:

(a) The worth at the time of award of any unpaid rent which has been earned at the time of such termination; plus

(b) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

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(c) The worth at the time of award of the amount by which the unpaid rent for the balance of the Lease Term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(d) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, specifically including but not limited to, brokerage commissions and advertising expenses incurred, expenses of remodeling the Premises or any portion thereof for a new tenant, whether for the same or a different use, and any special concessions made to obtain a new tenant; and

(e) At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law.

The term "**rent**" as used in this Section 19.2 shall be deemed to be and to mean all sums of every nature required to be paid by Tenant pursuant to the terms of this Lease, whether to Landlord or to others. As used in Sections 19.2.1(a) and (b), above, the "worth at the time of award" shall be computed by allowing interest at the Interest Rate. As used in Section 19.2.1(c), above, the "worth at the time of award" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

19.2.2 Landlord shall have the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has the right to sublet or assign, subject only to reasonable limitations). Accordingly, if Landlord does not elect to terminate this Lease on account of any default by Tenant, Landlord may, from time to time, without terminating this Lease, enforce all of its rights and remedies under this Lease, including the right to recover all rent as it becomes due.

19.2.3 Landlord shall at all times have the rights and remedies (which shall be cumulative with each other and cumulative and in addition to those rights and remedies available under Sections 19.2.1 and 19.2.2, above, or any law or other provision of this Lease), without prior demand or notice except as required by applicable law, to seek any declaratory, injunctive or other equitable relief, and specifically enforce this Lease, or restrain or enjoin a violation or breach of any provision hereof.

19.3 **Subleases of Tenant.** Whether or not Landlord elects to terminate this Lease on account of any default by Tenant, as set forth in this Article 19, Landlord shall have the right to terminate any and all subleases, licenses, concessions or other consensual arrangements for possession entered into by Tenant and affecting the Premises or may, in Landlord's sole discretion, succeed to Tenant's interest in such subleases, licenses, concessions or arrangements. In the event of Landlord's election to succeed to Tenant's interest in any such subleases, licenses, concessions or arrangements, Tenant shall, as of the date of notice by Landlord of such election, have no further right to or interest in the rent or other consideration receivable thereunder.

19.4 **Form of Payment After Default.** Following the occurrence of an event of default by Tenant, Landlord shall have the right to require that any or all subsequent amounts paid by Tenant to Landlord hereunder, whether to cure the default in question or otherwise, be paid in the form of cash, money order, cashier's or certified check drawn on an institution acceptable to Landlord, or by other means approved by Landlord, notwithstanding any prior practice of accepting payments in any different form.

19.5 **Efforts to Relet.** No re-entry or repossession, repairs, maintenance, changes, alterations and additions, reletting, appointment of a receiver to protect Landlord's interests hereunder, or any other action or omission by Landlord shall be construed as an election by Landlord to terminate this Lease or Tenant's right to possession, or to accept a surrender of the Premises, nor shall same operate to release Tenant in whole or in part from any of Tenant's obligations hereunder, unless express written notice of such intention is sent by Landlord to Tenant. Tenant hereby irrevocably waives any right otherwise available under any law to redeem or reinstate this Lease.

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19.6 **Landlord Default.** Notwithstanding anything to the contrary set forth in this Lease, Landlord shall be in default in the performance of any obligation required to be performed by Landlord pursuant to this Lease if Landlord fails to perform such obligation within thirty (30) days after the receipt of notice from Tenant specifying in detail Landlord's failure to perform; provided, however, if the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, then Landlord shall not be in default under this Lease if it shall commence such performance within such thirty (30) day period and thereafter diligently pursues the same to completion. Upon any such default by Landlord under this Lease, Tenant may, except as otherwise specifically provided in this Lease to the contrary, exercise any of its rights provided at law or in equity. Any award from a court or arbitrator in favor of Tenant requiring payment by Landlord which is not paid by Landlord within the time period directed by such award, may be offset by Tenant from Rent next due and payable under this Lease; provided, however, Tenant may not deduct the amount of the award against more than fifty percent (50%) of Base Rent next due and owing (until such time as the entire amount of such judgment is deducted) to the extent following a foreclosure or a deed-in-lieu of foreclosure; provided further that in the event that a fifty percent (50%) abatement of the first scheduled instance of Base Rent next due and owing does not satisfy the entire amount of the judgment, then such remaining amount shall bear interest at the Interest Rate from the date when due until paid.

ARTICLE 20

COVENANT OF QUIET ENJOYMENT

Landlord covenants that Tenant, on paying the Rent, charges for services and other payments herein reserved and on keeping, observing and performing all the other TCCs, provisions and agreements herein contained on the part of Tenant to be kept, observed and performed, shall, during the Lease Term, peaceably and quietly have, hold and enjoy the Premises subject to the TCCs, provisions and agreements hereof without interference by any persons lawfully claiming by or through Landlord. The foregoing covenant is in lieu of any other covenant express or implied.

ARTICLE 21

LETTER OF CREDIT

21.1 **Delivery of Letter of Credit.** Tenant shall deliver to Landlord, concurrently with Tenant's execution of this Lease, an unconditional, clean, irrevocable letter of credit (the "**L-C**") in the amount set forth in Section 21.3 below (the "**L-C Amount**"), which L-C shall be issued by a money-center, solvent and nationally recognized bank (a bank which accepts deposits, maintains accounts, has a California office which will negotiate a letter of credit, and whose deposits are insured by the FDIC) reasonably acceptable to Landlord (such approved, issuing bank being referred to herein as the "**Bank**"), which Bank must have a short term Fitch Rating which is not less than "F1", and a long term Fitch Rating which is not less than "A" (or in the event such Fitch Ratings are no longer available, a comparable rating from Standard and Poor's Professional Rating Service or Moody's Professional Rating Service) (collectively, the "**Bank's Credit Rating Threshold**"), and which L-C shall be in substantially the form of Exhibit G, attached hereto. Tenant shall pay all expenses, points and/or fees incurred by Tenant in obtaining the L-C. The L-C shall (i) be "callable" at sight, irrevocable and unconditional, (ii) be maintained in effect, whether through renewal or extension, for the period commencing on the date of this Lease and continuing until the date (the "**L-C Expiration Date**") that is no less than one hundred twenty (120) days after the expiration of the Lease Term as the same may be extended, and Tenant shall deliver a new L-C or certificate of renewal or extension to Landlord at least sixty (60) days prior to the expiration of the L-C then held by Landlord, without any action whatsoever on the part of Landlord, (iii) be fully assignable by Landlord, its successors and assigns, (iv) permit partial draws and multiple presentations and drawings, and (v) be otherwise subject to the Uniform Customs and Practices for Documentary Credits (1993-Rev), International Chamber of Commerce Publication #500, or the International Standby Practices-ISP 98, International Chamber of Commerce Publication #590. Landlord, or its then managing agent, shall have the right to draw down an amount up to the face amount of the L-C if any of the following shall have occurred or be applicable: (A) such amount is due to Landlord under the terms and conditions of this Lease, or (B) Tenant has filed a voluntary petition under the U. S. Bankruptcy Code or any state bankruptcy code (collectively, "**Bankruptcy Code**"), or (C) an involuntary petition has been filed against Tenant under the Bankruptcy Code, or (D) the

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Lease has been rejected, or is deemed rejected, under Section 365 of the U.S. Bankruptcy Code, following the filing of a voluntary petition by Tenant under the Bankruptcy Code, or the filing of an involuntary petition against Tenant under the Bankruptcy Code, or (E) the Bank has notified Landlord that the L-C will not be renewed or extended through the L-C Expiration Date, or (F) Tenant is placed into receivership or conservatorship, or becomes subject to similar proceedings under Federal or State law, or (G) Tenant executes an assignment for the benefit of creditors, or (H) if (1) any of the Bank's Fitch Ratings (or other comparable ratings to the extent the Fitch Ratings are no longer available) have been reduced below the Bank's Credit Rating Threshold, or (2) there is otherwise a material adverse change in the financial condition of the Bank, and Tenant has failed to provide Landlord with a replacement letter of credit, conforming in all respects to the requirements of this Article 21 (including, but not limited to, the requirements placed on the issuing Bank more particularly set forth in this Section 21.1 above), in the amount of the applicable L-C Amount, within ten (10) days following Landlord's written demand therefor (with no other notice or cure or grace period being applicable thereto, notwithstanding anything in this Lease to the contrary) (each of the foregoing being an "**L-C Draw Event**"). The L-C shall be honored by the Bank regardless of whether Tenant disputes Landlord's right to draw upon the L-C. In addition, in the event the Bank is placed into receivership or conservatorship by the Federal Deposit Insurance Corporation or any successor or similar entity, then, effective as of the date such receivership or conservatorship occurs, said L-C shall be deemed to fail to meet the requirements of this Article 21, and, within ten (10) days following Landlord's notice to Tenant of such receivership or conservatorship (the "**L-C FDIC Replacement Notice**"), Tenant shall replace such L-C with a substitute letter of credit from a different issuer (which issuer shall meet or exceed the Bank's Credit Rating Threshold and shall otherwise be acceptable to Landlord in its reasonable discretion) and that complies in all respects with the requirements of this Article 21. If Tenant fails to replace such L-C with such conforming, substitute letter of credit pursuant to the terms and conditions of this Section 21.1, then, notwithstanding anything in this Lease to the contrary, Landlord shall have the right to declare Tenant in default of this Lease for which there shall be no notice or grace or cure periods being applicable thereto (other than the aforesaid ten (10) day period). Tenant shall be responsible for the payment of any and all costs incurred with the review of any replacement L-C (including without limitation Landlord's reasonable attorneys' fees), which replacement is required pursuant to this Section or is otherwise requested by Tenant. In the event of an assignment by Tenant of its interest in the Lease (and irrespective of whether Landlord's consent is required for such assignment), the acceptance of any replacement or substitute letter of credit by Landlord from the assignee shall be subject to Landlord's prior written approval, in Landlord's sole and absolute discretion, and the attorney's fees incurred by Landlord in connection with such determination shall be payable by Tenant to Landlord within ten (10) days of billing.

21.2 Application of L-C. Tenant hereby acknowledges and agrees that Landlord is entering into this Lease in material reliance upon the ability of Landlord to draw upon the L-C upon the occurrence of any L-C Draw Event. In the event of any L-C Draw Event, Landlord may, but without obligation to do so, and without notice to Tenant (except in connection with an L-C Draw Event under Section 21.1(H) above), draw upon the L-C, in part or in whole, to cure any such L-C Draw Event and/or to compensate Landlord for any and all damages of any kind or nature sustained or which Landlord reasonably estimates that it will sustain resulting from Tenant's breach or default of the Lease or other L-C Draw Event and/or to compensate Landlord for any and all damages arising out of, or incurred in connection with, the termination of this Lease, including, without limitation, those specifically identified in Section 1951.2 of the California Civil Code. The use, application or retention of the L-C, or any portion thereof, by Landlord shall not prevent Landlord from exercising any other right or remedy provided by this Lease or by any applicable law, it being intended that Landlord shall not first be required to proceed against the L-C, and such L-C shall not operate as a limitation on any recovery to which Landlord may otherwise be entitled. Tenant agrees not to interfere in any way with payment to Landlord of the proceeds of the L-C, either prior to or following a "draw" by Landlord of any portion of the L-C, regardless of whether any dispute exists between Tenant and Landlord as to Landlord's right to draw upon the L-C. No condition or term of this Lease shall be deemed to render the L-C conditional to justify the issuer of the L-C in failing to honor a drawing upon such L-C in a timely manner. Tenant agrees and acknowledges that (i) the L-C constitutes a separate and independent contract between Landlord and the Bank, (ii) Tenant is not a third party beneficiary of such contract, (iii) Tenant has no property interest whatsoever in the L-C or the proceeds thereof, and (iv) in the event Tenant becomes a debtor under any chapter of the Bankruptcy Code, Tenant is placed into receivership or conservatorship, and/or there is an event

of a receivership, conservatorship or a bankruptcy filing by, or on behalf of, Tenant, neither Tenant, any trustee, nor Tenant's bankruptcy estate shall have any right to restrict or limit Landlord's claim and/or rights to the L-C and/or the proceeds thereof by application of Section 502(b)(6) of the U. S. Bankruptcy Code or otherwise.

21.3 L-C Amount; Maintenance of L-C by Tenant; Liquidated Damages.

21.3.1 **L-C Amount.** The L-C Amount shall be equal to the amount set forth in Section 8 of the Summary.

21.3.2 **Reduction of L-C Amount.** To the extent that Tenant is not in default under this Lease (beyond the applicable notice and cure period set forth in this Lease), the L-C Amount shall be reduced as follows:

<u>Date of Reduction</u>	<u>L-C Amount</u>
First day of the twenty-fifth (25 th) full calendar month of the Lease Term	\$200,000.00
First day of the thirty-seventh (37 th) full calendar month of the Lease Term	\$150,000.00
First day of the forty-ninth (49 th) full calendar month of the Lease Term	\$100,000.00
First day of the sixty-first (61 st) full calendar month of the Lease Term	\$ 50,000.00
First day of the seventy-third (73 rd) full calendar month of the Lease Term	\$ 44,323.26

Notwithstanding anything to the contrary set forth in this Section 21.3.1.2, in no event shall the L-C Amount as set forth above decrease during any period in which Tenant is in default under this Lease, but such decrease shall take place retroactively after such default is cured, provided that no such decrease shall thereafter take effect in the event this Lease is terminated early due to such default by Tenant.

21.3.3 **In General.** If, as a result of any drawing by Landlord of all or any portion of the L-C, the amount of the L-C shall be less than the L-C Amount, Tenant shall, within five (5) days thereafter, provide Landlord with additional letter(s) of credit in an amount equal to the deficiency, and any such additional letter(s) of credit shall comply with all of the provisions of this Article 21, and if Tenant fails to comply with the foregoing, the same shall be subject to the terms of Section 21.3.4 below. Tenant further covenants and warrants that it will neither assign nor encumber the L-C or any part thereof and that neither Landlord nor its successors or assigns will be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance. Without limiting the generality of the foregoing, if the L-C expires earlier than the L-C Expiration Date, Landlord will accept a renewal thereof (such renewal letter of credit to be in effect and delivered to Landlord, as applicable, not later than sixty (60) days prior to the expiration of the L-C), which shall be irrevocable and automatically renewable as above provided through the L-C Expiration Date upon the same terms as the expiring L-C or such other terms as may be acceptable to Landlord in its sole discretion. If Tenant exercises its option to extend the Lease Term pursuant to Section 2.2 of this Lease then, not later than one hundred twenty (120) days prior to the commencement of the Option Term, Tenant shall deliver to Landlord a new L-C or certificate of renewal or extension evidencing the L-C Expiration Date as one hundred twenty (120) days after the expiration of the Option Term. However, if the L-C is not timely renewed, or if Tenant fails to maintain the L-C in the amount and in accordance

with the terms set forth in this Article 21, Landlord shall have the right to either (x) present the L-C to the Bank in accordance with the terms of this Article 21, and the proceeds of the L-C may be applied by Landlord against any Rent payable by Tenant under this Lease that is not paid when due and/or to pay for all losses and damages that Landlord has suffered or that Landlord reasonably estimates that it will suffer as a result of any breach or default by Tenant under this Lease, or (y) pursue its remedy under Section 21.3.3 below. In the event Landlord elects to exercise its rights under the foregoing item (x), (I) any unused proceeds shall constitute the property of Landlord (and not Tenant's property or, in the event of a receivership, conservatorship, or a bankruptcy filing by, or on behalf of, Tenant, property of such receivership, conservatorship or Tenant's bankruptcy estate) and need not be segregated from Landlord's other assets, and (II) Landlord agrees to pay to Tenant within thirty (30) days after the L-C Expiration Date the amount of any proceeds of the L-C received by Landlord and not applied against any Rent payable by Tenant under this Lease that was not paid when due or used to pay for any losses and/or damages suffered by Landlord (or reasonably estimated by Landlord that it will suffer) as a result of any breach or default by Tenant under this Lease; provided, however, that if prior to the L-C Expiration Date a voluntary petition is filed by Tenant, or an involuntary petition is filed against Tenant by any of Tenant's creditors, under the Bankruptcy Code, then Landlord shall not be obligated to make such payment in the amount of the unused L-C proceeds until either all preference issues relating to payments under this Lease have been resolved in such bankruptcy or reorganization case or such bankruptcy or reorganization case has been dismissed.

21.3.4 **FAILURE TO MAINTAIN; REPLACE AND/OR REINSTATE L-C; LIQUIDATED DAMAGES.** IN THE EVENT THAT TENANT FAILS, WITHIN (I) THAT PERIOD SET FORTH IN SECTION 21.3.3 ABOVE, OR (II) THAT PERIOD SET FORTH IN THE L-C FDIC REPLACEMENT NOTICE, TO PROVIDE LANDLORD WITH ADDITIONAL L-C(S) IN AN AMOUNT EQUAL TO THE DEFICIENCY OR A REPLACEMENT L-C (AS APPLICABLE, AND TO THE EXTENT THAT LETTERS OF CREDIT REMAIN AVAILABLE ON A COMMERCIALY REASONABLE BASIS), THEN TENANT'S MONTHLY INSTALLMENT OF BASE RENT SHALL BE INCREASED BY ONE HUNDRED FIFTY PERCENT (150%) OF ITS THEN EXISTING LEVEL DURING THE PERIOD COMMENCING ON THE DATE WHICH IS THE LAST DAY OF THE PERIOD IDENTIFIED IN SECTION 21.3.3 OR THE L-C FDIC REPLACEMENT NOTICE (AS APPLICABLE), AND ENDING ON THE DATE TENANT PROVIDES LANDLORD WITH ADDITIONAL L-C(S) IN AN AMOUNT EQUAL TO THE DEFICIENCY AS CONTEMPLATED BY THE TERMS OF SECTION 21.3.3 ABOVE. THE PARTIES AGREE THAT IT WOULD BE IMPRACTICABLE AND EXTREMELY DIFFICULT TO ASCERTAIN THE ACTUAL DAMAGES SUFFERED BY LANDLORD AS A RESULT OF TENANT'S FAILURE TO TIMELY PROVIDE LANDLORD WITH ADDITIONAL L-C(S) IN AN AMOUNT EQUAL TO THE DEFICIENCY AS REQUIRED IN SECTION 21.3.3, OR A REPLACEMENT L-C AS CONTEMPLATED BY THE L-C FDIC REPLACEMENT NOTICE (AS APPLICABLE), AND THAT UNDER THE CIRCUMSTANCES EXISTING AS OF THE DATE OF THIS LEASE, THE LIQUIDATED DAMAGES PROVIDED FOR IN THIS SECTION 21.3.4 REPRESENT A REASONABLE ESTIMATE OF THE DAMAGES WHICH LANDLORD WILL INCUR AS A RESULT OF SUCH FAILURE, PROVIDED, HOWEVER, THAT THIS PROVISION SHALL NOT WAIVE OR AFFECT LANDLORD'S RIGHTS AND TENANT'S INDEMNITY OBLIGATIONS UNDER OTHER SECTIONS OF THIS LEASE (EXCEPT THAT THE PARTIES SPECIFICALLY AGREE THAT THE FOREGOING PROVISION WAS AGREED TO IN LIEU OF MAKING TENANT'S FAILURE TO PROVIDE LANDLORD WITH ADDITIONAL L-C(S) IN AN AMOUNT EQUAL TO THE DEFICIENCY OR A REPLACEMENT L-C (AS APPLICABLE) A DEFAULT UNDER THIS LEASE). THE PARTIES ACKNOWLEDGE THAT THE PAYMENT OF SUCH LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTION 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO LANDLORD PURSUANT TO CALIFORNIA CIVIL CODE SECTION 1671. THE PARTIES HAVE SET FORTH THEIR INITIALS BELOW TO INDICATE THEIR AGREEMENT WITH THE LIQUIDATED DAMAGES PROVISION CONTAINED IN THIS SECTION 21.3.4.

LANDLORD'S INITIALS

TENANT'S INITIALS

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21.4 **Transfer and Encumbrance.** The L-C shall also provide that Landlord may, at any time and without notice to Tenant and without first obtaining Tenant's consent thereto, transfer (one or more times) all or any portion of its interest in and to the L-C to another party, person or entity, regardless of whether or not such transfer is from or as a part of the assignment by Landlord of its rights and interests in and to this Lease. In the event of a transfer of Landlord's interest in under this Lease, Landlord shall transfer the L-C, in whole or in part, to the transferee and thereupon Landlord shall, without any further agreement between the parties, be released by Tenant from all liability therefor, and it is agreed that the provisions hereof shall apply to every transfer or assignment of the whole of said L-C to a new landlord. In connection with any such transfer of the L-C by Landlord, Tenant shall, at Tenant's sole cost and expense, execute and submit to the Bank such applications, documents and instruments as may be necessary to effectuate such transfer and, Tenant shall be responsible for paying the Bank's transfer and processing fees in connection therewith; provided that, Landlord shall have the right (in its sole discretion), but not the obligation, to pay such fees on behalf of Tenant, in which case Tenant shall reimburse Landlord within ten (10) days after Tenant's receipt of an invoice from Landlord therefor.

21.5 **L-C Not a Security Deposit.** Landlord and Tenant (1) acknowledge and agree that in no event or circumstance shall the L-C or any renewal thereof or substitute therefor or any proceeds thereof be deemed to be or treated as a "security deposit" under any law applicable to security deposits in the commercial context, including, but not limited to, Section 1950.7 of the California Civil Code, as such Section now exists or as it may be hereafter amended or succeeded (the "**Security Deposit Laws**"), (2) acknowledge and agree that the L-C (including any renewal thereof or substitute therefor or any proceeds thereof) is not intended to serve as a security deposit, and the Security Deposit Laws shall have no applicability or relevancy thereto, and (3) waive any and all rights, duties and obligations that any such party may now, or in the future will, have relating to or arising from the Security Deposit Laws. Tenant hereby irrevocably waives and relinquishes the provisions of Section 1950.7 of the California Civil Code and any successor statute, and all other provisions of law, now or hereafter in effect, which (x) establish the time frame by which a landlord must refund a security deposit under a lease, and/or (y) provide that a landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by a tenant or to clean the premises, it being agreed that Landlord may, in addition, claim those sums specified in this Article 21 and/or those sums reasonably necessary to (a) compensate Landlord for any loss or damage caused by Tenant's breach of this Lease, including any damages Landlord suffers following termination of this Lease, and/or (b) compensate Landlord for any and all damages arising out of, or incurred in connection with, the termination of this Lease, including, without limitation, those specifically identified in Section 1951.2 of the California Civil Code.

21.6 **Non-Interference By Tenant.** Tenant agrees not to interfere in any way with any payment to Landlord of the proceeds of the L-C, either prior to or following a "draw" by Landlord of all or any portion of the L-C, regardless of whether any dispute exists between Tenant and Landlord as to Landlord's right to draw down all or any portion of the L-C. No condition or term of this Lease shall be deemed to render the L-C conditional and thereby afford the Bank a justification for failing to honor a drawing upon such L-C in a timely manner. Tenant shall not request or instruct the Bank of any L-C to refrain from paying sight draft(s) drawn under such L-C.

21.7 **Waiver of Certain Relief.** Tenant unconditionally and irrevocably waives (and as an independent covenant hereunder, covenants not to assert) any right to claim or obtain any of the following relief in connection with the L-C:

21.7.1 A temporary restraining order, temporary injunction, permanent injunction, or other order that would prevent, restrain or restrict the presentment of sight drafts drawn under any L-C or the Bank's honoring or payment of sight draft(s); or

21.7.2 Any attachment, garnishment, or levy in any manner upon either the proceeds of any L-C or the obligations of the Bank (either before or after the presentment to the Bank of sight drafts drawn under such L-C) based on any theory whatever.

21.8 **Remedy for Improper Drafts.** Tenant's sole remedy in connection with the improper presentment or payment of sight drafts drawn under any L-C shall be the right to obtain from Landlord a refund of the amount of any sight draft(s) that were improperly presented or the

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proceeds of which were misapplied, together with interest at the Interest Rate and reasonable actual out-of-pocket attorneys' fees, provided that at the time of such refund, Tenant increases the amount of such L-C to the amount (if any) then required under the applicable provisions of this Lease. Tenant acknowledges that the presentment of sight drafts drawn under any L-C, or the Bank's payment of sight drafts drawn under such L-C, could not under any circumstances cause Tenant injury that could not be remedied by an award of money damages, and that the recovery of money damages would be an adequate remedy therefor. In the event Tenant shall be entitled to a refund as aforesaid and Landlord shall fail to make such payment within ten (10) business days after demand, Tenant shall have the right to deduct the amount thereof together with interest thereon at the Interest Rate from the next installment(s) of Base Rent.

ARTICLE 22

SUBSTITUTION OF OTHER PREMISES

INTENTIONALLY OMITTED

ARTICLE 23

SIGNS

23.1 Intentionally omitted

23.2 Multi-Tenant Floors. If other tenants occupy space on the floor on which the Premises is located, Tenant's identifying signage shall be provided by Landlord, at Landlord's cost, and such signage shall be comparable to that used by Landlord for other similar floors in the Building and shall comply with Landlord's Building standard signage program.

23.3 Building Directory. A building directory is located in the lobby of the Building. Tenant shall have the right, at Landlord's sole cost and expense as to Tenant's initial name strip, to designate one (1) name strip on such directory, and any subsequent changes to Tenant's name strip shall be at Tenant's sole cost and expense following Tenant's receipt of Landlord's consent thereto (which consent may be withheld in Landlord's sole and absolute discretion).

23.4 Prohibited Signage and Other Items. Any signs, notices, logos, pictures, names or advertisements which are installed and that have not been separately approved by Landlord may be removed without notice by Landlord at the sole expense of Tenant. Tenant may not install any signs on the exterior or roof of the Project or the Common Areas. Any signs, window coverings, or blinds (even if the same are located behind the Landlord-approved window coverings for the Building), or other items visible from the exterior of the Premises or Building, shall be subject to the prior approval of Landlord, in its sole discretion.

23.5 Tenant's Monument Signage. Tenant shall be entitled to use one (1) slot on that certain one (1) currently-existing monument/tombstone sign serving the Building which is located just outside of the "rotunda" of the Building (the "**Monument Signage**"), which Tenant's use of such monument/tombstone shall be non-exclusive. The exact location of the Monument Signage on the aforementioned monument/tombstone sign shall be designated by Landlord, in Landlord's sole and absolute discretion. Moreover, Landlord shall have the right in Landlord's sole and absolute discretion to relocate the Monument Signage as well as the currently-existing monument/tombstone sign serving the Building identified above.

23.5.1 Monument Signage Specifications and Permits. Monument Signage shall set forth Tenant's name and logo as determined by Tenant; provided, however, in no event shall the Monument Signage include an "Objectionable Name," as that term is defined in Section 23.5.2 of this Lease. The graphics, materials, color, design, lettering, lighting, size, illumination, specifications and exact location of Monument Signage (collectively, the "**Sign Specifications**") shall be subject to the prior written approval of Landlord, which approval shall not be unreasonably withheld, conditioned or delayed, and shall be consistent and compatible with the quality and nature of the Project and the Sign Specifications, as well as Landlord's building-standard signage program. For purposes of this Section 23.5, the reference to "name" shall mean name and/or logo. In addition, Monument Signage shall be subject to Tenant's receipt of all

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required governmental permits and approvals and shall be subject to all "Applicable Laws" (as that term is defined in Article 24 below) and to any covenants, conditions and restrictions affecting the Project. Landlord, at Tenant's sole cost and expense, shall use commercially reasonable efforts to assist Tenant in obtaining all necessary governmental permits and approvals for Monument Signage. Tenant hereby acknowledges that, notwithstanding Landlord's approval of the Monument Signage, Landlord has made no representation or warranty to Tenant with respect to the probability of obtaining all necessary governmental approvals and permits for Monument Signage. In the event Tenant does not receive the necessary governmental approvals and permits for the Monument Signage, Tenant's and Landlord's rights and obligations under the remaining TCCs of this Lease shall be unaffected.

23.5.2 **Objectionable Name.** In no event shall Monument Signage include, identify or otherwise refer to a name and/or logo which relates to an entity which is of a character or reputation, or is associated with a political faction or orientation, which is inconsistent with the quality of the Project, or which would otherwise reasonably offend a landlord of a Comparable Building (an "**Objectionable Name**"). The parties hereby agree that the name "Airgain, Inc.," or any reasonable derivation thereof, shall not be deemed an Objectionable Name.

23.5.3 **Termination of Right to Monument Signage.** The rights contained in this Section 23.5 shall be personal to the Original Tenant and any Permitted Transferee Assignee, and may only be exercised and maintained by the Original Tenant or any Permitted Transferee Assignee (and not any other assignee, sublessee or other transferee of the Original Tenant's interest in this Lease) to the extent (x) they are not in default under this Lease (beyond the applicable notice and cure period), and (y) the Original Tenant or any Permitted Transferee Assignee occupies the entire Premises.

23.5.4 **Cost, Maintenance and Removal of Monument Signage.** The costs of the actual sign comprising the particular Monument Signage and the installation, design, construction, and any and all other costs associated with the Monument Signage, including, without limitation, utility charges and hook-up fees, permits, and maintenance and repairs, shall be the sole responsibility of Tenant, at Tenant's sole cost and expense. Landlord and Tenant hereby expressly acknowledge and agree that the Monument Signage shall be installed and removed by a vendor designated by Landlord, and therefore Tenant shall contract with such Landlord designated vendor to perform the work identified herein. Should the Monument Signage require repairs and/or maintenance, as determined in Landlord's reasonable judgment, Landlord shall cause such repairs and/or maintenance to be performed, and Tenant shall pay Landlord upon demand the cost of the same as Additional Rent. Upon the expiration or earlier termination of this Lease, Tenant shall, at Tenant's sole cost and expense, cause the Monument Signage to be removed and shall cause the area in which such Monument Signage was located to be restored to the condition existing immediately prior to the installation of such Monument Signage. If Tenant fails to timely remove such Monument Signage or to restore the areas in which such Monument Signage was located, as provided in the immediately preceding sentence, then Landlord may perform such work, and all costs incurred by Landlord in so performing shall be reimbursed by Tenant to Landlord within thirty (30) days after Tenant's receipt of an invoice therefor. The TCCs of this Section 23.5.4 shall survive the expiration or earlier termination of this Lease.

ARTICLE 24

COMPLIANCE WITH LAW

Landlord covenants that as of the date of this Lease, the Building, the Premises (including the Improvements), and the parking areas serving the Building, shall be in material compliance with all "Applicable Laws" (as that term is defined hereinbelow) in effect as of the date of this Lease, and Landlord shall, at its sole cost and expense, correct any material deficiency in such condition promptly following receipt of written notice thereof from Tenant with regard to the Premises (which notice from Tenant shall be given, if at all, within one (1) year following the date of this Lease), and otherwise after written notice from the applicable governmental authority. Tenant shall not do anything or suffer anything to be done in or about the Premises or the Project which will in any way conflict with any law, statute, ordinance or other governmental rule, regulation or requirement now in force or which may hereafter be enacted or promulgated (collectively, "**Applicable Laws**"). At its sole cost and expense, Tenant shall promptly comply

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with all such Applicable Laws which relate to (i) Tenant's use of the Premises, (ii) the Alterations or the Improvements in the Premises, or (iii) the Base Building, but, as to the Base Building, only to the extent such obligations are triggered by Tenant's Alterations, the Improvements, or use of the Premises for non-general office use. Should any standard or regulation applicable to the Premises now or hereafter be imposed on Landlord or Tenant by a state, federal or local governmental body charged with the establishment, regulation and enforcement of occupational, health or safety standards for employers, employees, landlords or tenants, then Tenant agrees, at its sole cost and expense, to comply promptly with such standards or regulations. The judgment of any court of competent jurisdiction or the admission of Tenant in any judicial action, regardless of whether Landlord is a party thereto, that Tenant has violated any of said governmental measures, shall be conclusive of that fact as between Landlord and Tenant. Landlord shall comply with all Applicable Laws relating to the Base Building, the Common Areas, or relating to compliance with laws in effect as of the date of this Lease, provided that compliance with such Applicable Laws is not the responsibility of Tenant under this Lease, and provided further that Landlord's failure to comply therewith would prohibit Tenant from obtaining or maintaining a certificate of occupancy for the Premises, or would unreasonably and materially affect the safety of Tenant's employees or create a significant health hazard for Tenant's employees. Landlord shall be permitted to include in Operating Expenses any costs or expenses incurred by Landlord under this Article 24 to the extent consistent with and subject to the exclusions under the terms of Section 4.2.4, above.

ARTICLE 25

LATE CHARGES

If any installment of Rent or any other sum due from Tenant shall not be received by Landlord or Landlord's designee when due, then Tenant shall pay to Landlord a late charge equal to five percent (5%) of the overdue amount plus any attorneys' fees incurred by Landlord by reason of Tenant's failure to pay Rent and/or other charges when due hereunder; provided, however, with regard to the first such failure in any twelve (12) month period, Landlord will waive such late charge to the extent Tenant cures such failure within five (5) business days following Tenant's receipt of written notice from Landlord that the same was not received when due. The late charge shall be deemed Additional Rent and the right to require it shall be in addition to all of Landlord's other rights and remedies hereunder or at law and shall not be construed as liquidated damages or as limiting Landlord's remedies in any manner. In addition to the late charge described above, any Rent or other amounts owing hereunder which are not paid within ten (10) days after the date they are due shall bear interest from the date when due until paid at the "Interest Rate." For purposes of this Lease, the "Interest Rate" shall be an annual rate equal to the lesser of (i) the annual "Bank Prime Loan" rate cited in the Federal Reserve Statistical Release Publication H.15(519), published weekly (or such other comparable index as Landlord and Tenant shall reasonably agree upon if such rate ceases to be published), plus four (4) percentage points, and (ii) the highest rate permitted by applicable law.

ARTICLE 26

LANDLORD'S RIGHT TO CURE DEFAULT; PAYMENTS BY TENANT

26.1 **Landlord's Cure.** All covenants and agreements to be kept or performed by Tenant under this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any reduction of Rent, except to the extent, if any, otherwise expressly provided herein. If Tenant shall fail to perform any obligation under this Lease, and such failure shall continue in excess of the time allowed under Section 19.1.2, above, unless a specific time period is otherwise stated in this Lease, Landlord may, but shall not be obligated to, make any such payment or perform any such act on Tenant's part without waiving its rights based upon any default of Tenant and without releasing Tenant from any obligations hereunder.

26.2 **Tenant's Reimbursement.** Except as may be specifically provided to the contrary in this Lease, Tenant shall pay to Landlord, upon delivery by Landlord to Tenant of statements therefor: (i) sums equal to expenditures reasonably made and obligations incurred by Landlord in connection with the remedying by Landlord of Tenant's defaults pursuant to the provisions of Section 26.1; (ii) sums equal to all losses, costs, liabilities, damages and expenses referred to in Article 10 of this Lease; and (iii) sums equal to all expenditures made and obligations incurred by Landlord in collecting or attempting to collect the Rent or in enforcing or

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attempting to enforce any rights of Landlord under this Lease or pursuant to law, including, without limitation, all legal fees and other amounts so expended. Tenant's obligations under this Section 26.2 shall survive the expiration or sooner termination of the Lease Term.

ARTICLE 27

ENTRY BY LANDLORD

Landlord reserves the right at all reasonable times (during Building Hours with respect to items (i) and (ii) below) and upon at least twenty-four (24) hours prior notice to Tenant (except in the case of an emergency) to enter the Premises to (i) inspect them; (ii) show the Premises to prospective purchasers, or to current or prospective mortgagees, ground or underlying lessors or insurers, or during the last twelve (12) months of the Lease Term, to prospective tenants; (iii) post notices of nonresponsibility; or (iv) alter, improve or repair the Premises or the Building, or for structural alterations, repairs or improvements to the Building or the Building's systems and equipment. Notwithstanding anything to the contrary contained in this Article 27, Landlord may enter the Premises at any time upon reasonable notice to (A) perform services required of Landlord, including janitorial service; (B) take possession due to any breach of this Lease in the manner provided herein; and (C) perform any covenants of Tenant which Tenant fails to perform. Landlord may make any such entries without the abatement of Rent, except as otherwise provided in this Lease, and may take such reasonable steps as required to accomplish the stated purposes; provided, however, except for (x) emergencies, (y) repairs, alterations, improvements or additions required by governmental or quasi-governmental authorities or court order or decree, or (z) repairs which are the obligation of Tenant hereunder, any such entry shall be performed in a manner so as not to unreasonably interfere with Tenant's use of the Premises and shall be performed after normal business hours if reasonably practical. With respect to items (y) and (z) above, Landlord shall use commercially reasonable efforts to not materially interfere with Tenant's use of, or access to, the Premises. Tenant hereby waives any claims for damages or for any injuries or inconvenience to or interference with Tenant's business, lost profits, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby; except to the extent arising from the gross negligence or willful misconduct of the Landlord or the Landlord Parties, subject to all provisions contained in this Lease. For each of the above purposes, Landlord shall at all times have a key with which to unlock all the doors in the Premises, excluding Tenant's vaults, safes and special security areas designated in advance by Tenant. In an emergency, Landlord shall have the right to use any means that Landlord may deem proper to open the doors in and to the Premises. Any entry into the Premises by Landlord in the manner hereinbefore described shall not be deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an actual or constructive eviction of Tenant from any portion of the Premises. No provision of this Lease shall be construed as obligating Landlord to perform any repairs, alterations or decorations except as otherwise expressly agreed to be performed by Landlord herein.

ARTICLE 28

TENANT PARKING

Tenant shall be entitled to use commencing on the Lease Commencement Date, the amount of unreserved parking passes set forth in Section 9 of the Summary, which parking passes shall pertain to the Project parking facilities. Tenant shall pay to Landlord (or its designee) for the parking passes on a monthly basis at the prevailing rate charged from time to time at the location of such parking passes, and Tenant's unreserved parking passes shall be without charge for the initial Lease Term only (excepting only any parking taxes or other charges imposed by governmental authorities in connection with the use of such parking as more particularly contemplated below). In addition to any fees that may be charged to Tenant in connection with its parking of automobiles in the Project parking facilities, Tenant shall be responsible for the full amount of any taxes imposed by any governmental authority in connection with the renting of such parking passes by Tenant or the use of the parking facility by Tenant. Tenant's continued right to use the parking passes is conditioned upon Tenant abiding by all rules and regulations which are prescribed from time to time for the orderly operation and use of the parking facility where the parking passes are located, including any sticker or other identification system established by Landlord, Tenant's cooperation in seeing that Tenant's employees and visitors also comply with such rules and regulations and Tenant not being in default under this Lease. Landlord specifically reserves the right to change the size,

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configuration, design, layout and all other aspects of the Project parking facility at any time and Tenant acknowledges and agrees that Landlord may, without incurring any liability to Tenant and without any abatement of Rent under this Lease, from time to time, close-off or restrict access to the Project parking facility for purposes of permitting or facilitating any such construction, alteration or improvements. Landlord may delegate its responsibilities hereunder to a parking operator in which case such parking operator shall have all the rights of control attributed hereby to the Landlord. The parking passes rented by Tenant pursuant to this Article 28 are provided to Tenant solely for use by Tenant's own personnel and such passes may not be transferred, assigned, subleased or otherwise alienated by Tenant without Landlord's prior approval. Tenant may validate visitor parking by such method or methods as the Landlord may establish, at the validation rate from time to time generally applicable to visitor parking.

ARTICLE 29

MISCELLANEOUS PROVISIONS

29.1 **Terms; Captions**. The words "Landlord" and "Tenant" as used herein shall include the plural as well as the singular. The necessary grammatical changes required to make the provisions hereof apply either to corporations or partnerships or individuals, men or women, as the case may require, shall in all cases be assumed as though in each case fully expressed. The captions of Articles and Sections are for convenience only and shall not be deemed to limit, construe, affect or alter the meaning of such Articles and Sections.

29.2 **Binding Effect**. Subject to all other provisions of this Lease, each of the covenants, conditions and provisions of this Lease shall extend to and shall, as the case may require, bind or inure to the benefit not only of Landlord and of Tenant, but also of their respective heirs, personal representatives, successors or assigns, provided this clause shall not permit any assignment by Tenant contrary to the provisions of Article 14 of this Lease.

29.3 **No Air Rights**. No rights to any view or to light or air over any property, whether belonging to Landlord or any other person, are granted to Tenant by this Lease. If at any time any windows of the Premises is temporarily darkened or the light or view therefrom is obstructed by reason of any repairs, improvements, maintenance or cleaning in or about the Project, the same shall be without liability to Landlord and without any reduction or diminution of Tenant's obligations under this Lease.

29.4 **Modification of Lease**. Should any current or prospective mortgagee or ground lessor for the Building or Project require a modification of this Lease, which modification will not cause an increased cost or expense to Tenant or in any other way materially and adversely change the rights and obligations of Tenant hereunder, then and in such event, Tenant agrees that this Lease may be so modified and agrees to execute whatever documents are reasonably required therefor and to deliver the same to Landlord within ten (10) days following a request therefor. At the request of Landlord or any mortgagee or ground lessor, Tenant agrees to execute a short form of Lease and deliver the same to Landlord within ten (10) days following the request therefor.

29.5 **Transfer of Landlord's Interest**. Tenant acknowledges that Landlord has the right to transfer all or any portion of its interest in the Project or Building and in this Lease, and Tenant agrees that in the event of any such transfer, Landlord shall automatically be released from all liability under this Lease and Tenant agrees to look solely to such transferee for the performance of Landlord's obligations hereunder after the date of transfer and such transferee shall be deemed to have fully assumed and be liable for all obligations of this Lease to be performed by Landlord, including the return of any Security Deposit, and Tenant shall attorn to such transferee. Tenant further acknowledges that Landlord may assign its interest in this Lease to a mortgage lender as additional security and agrees that such an assignment shall not release Landlord from its obligations hereunder and that Tenant shall continue to look to Landlord for the performance of its obligations hereunder.

29.6 **Prohibition Against Recording or Publication**. Neither this Lease, nor any memorandum, affidavit or other writing with respect thereto, shall be recorded or otherwise published by Tenant or by anyone acting through, under or on behalf of Tenant.

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29.7 **Landlord's Title.** Landlord's title is and always shall be paramount to the title of Tenant. Nothing herein contained shall empower Tenant to do any act which can, shall or may encumber the title of Landlord.

29.8 **Relationship of Parties.** Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent, partnership, joint venturer or any association between Landlord and Tenant.

29.9 **Application of Payments.** Landlord shall have the right to apply payments received from Tenant pursuant to this Lease, regardless of Tenant's designation of such payments, to satisfy any obligations of Tenant hereunder, in such order and amounts as Landlord, in its sole discretion, may elect.

29.10 **Time of Essence.** Time is of the essence with respect to the performance of every provision of this Lease in which time of performance is a factor.

29.11 **Partial Invalidity.** If any term, provision or condition contained in this Lease shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, provision or condition to persons or circumstances other than those with respect to which it is invalid or unenforceable, shall not be affected thereby, and each and every other term, provision and condition of this Lease shall be valid and enforceable to the fullest extent possible permitted by law.

29.12 **No Warranty.** In executing and delivering this Lease, Tenant has not relied on any representations, including, but not limited to, any representation as to the amount of any item comprising Additional Rent or the amount of the Additional Rent in the aggregate or that Landlord is furnishing the same services to other tenants, at all, on the same level or on the same basis, or any warranty or any statement of Landlord which is not set forth herein or in one or more of the exhibits attached hereto. Tenant agrees that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the physical condition of the Building, the Project, the land upon which the Building or the Project are located, or the Premises, or the expenses of operation of the Premises, the Building or the Project, or any other matter or thing affecting or related to the Premises, except as herein expressly set forth in the provisions of this Lease.

29.13 **Landlord Exculpation.** The liability of Landlord or the Landlord Parties to Tenant for any default by Landlord under this Lease or arising in connection herewith or with Landlord's operation, management, leasing, repair, renovation, alteration or any other matter relating to the Project or the Premises shall be limited solely and exclusively to an amount which is equal to the net interest of Landlord in the Building (including any insurance or rental proceeds which Landlord receives, but only following payment of any outstanding liens and/or mortgages, whether attributable to sales or insurance proceeds or otherwise). Neither Landlord, nor any of the Landlord Parties shall have any personal liability therefor, and Tenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant. The limitations of liability contained in this Section 29.13 shall inure to the benefit of Landlord's and the Landlord Parties' present and future partners, beneficiaries, officers, directors, trustees, shareholders, agents and employees, and their respective partners, heirs, successors and assigns. Under no circumstances shall any present or future partner of Landlord (if Landlord is a partnership), or trustee or beneficiary (if Landlord or any partner of Landlord is a trust), have any liability for the performance of Landlord's obligations under this Lease. Notwithstanding any contrary provision herein, neither Landlord nor the Landlord Parties shall be liable under any circumstances for injury or damage to, or interference with, Tenant's business, including but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring.

29.14 **Entire Agreement.** It is understood and acknowledged that there are no oral agreements between the parties hereto affecting this Lease and this Lease constitutes the parties' entire agreement with respect to the leasing of the Premises and supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the parties hereto or displayed by Landlord to Tenant with respect to the subject matter thereof, and none thereof shall be used to interpret or construe this Lease. None of the terms,

covenants, conditions or provisions of this Lease can be modified, deleted or added to except in writing signed by the parties hereto.

29.15 **Right to Lease.** Landlord reserves the absolute right to effect such other tenancies in the Project as Landlord in the exercise of its sole business judgment shall determine to best promote the interests of the Building or Project. Tenant does not rely on the fact, nor does Landlord represent, that any specific tenant or type or number of tenants shall, during the Lease Term, occupy any space in the Building or Project.

29.16 **Force Majeure.** Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain services, labor, or materials or reasonable substitutes therefor, governmental actions, civil commotions, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, except with respect to the obligations imposed with regard to Rent and other charges to be paid by Tenant pursuant to this Lease and except as to Tenant's obligations under **Articles 5 and 24** of this Lease (collectively, a "**Force Majeure**"), notwithstanding anything to the contrary contained in this Lease, shall excuse the performance of such party for a period equal to any such prevention, delay or stoppage and, therefore, if this Lease specifies a time period for performance of an obligation of either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure.

29.17 **Waiver of Redemption by Tenant.** Tenant hereby waives, for Tenant and for all those claiming under Tenant, any and all rights now or hereafter existing to redeem by order or judgment of any court or by any legal process or writ, Tenant's right of occupancy of the Premises after any termination of this Lease.

29.18 **Notices.** All notices, demands, statements or communications (collectively, "**Notices**") given or required to be given by either party to the other hereunder shall be in writing, shall be (A) delivered by a nationally recognized overnight courier, or (B) delivered personally. Any such Notice shall be delivered (i) to Tenant at the appropriate address set forth in **Section 10** of the Summary, or to such other place as Tenant may from time to time designate in a Notice to Landlord; or (ii) to Landlord at the addresses set forth in **Section 11** of the Summary, or to such other firm or to such other place as Landlord may from time to time designate in a Notice to Tenant. Any Notice will be deemed given on the date of receipted delivery, of refusal to accept delivery, or when delivery is first attempted but cannot be made due to a change of address for which no Notice was given. If Tenant is notified of the identity and address of Landlord's mortgagee or ground or underlying lessor, Tenant shall give to such mortgagee or ground or underlying lessor written notice of any default by Landlord under the terms of this Lease by registered or certified mail, and such mortgagee or ground or underlying lessor shall be given a reasonable opportunity to cure such default prior to Tenant's exercising any remedy available to Tenant. The party delivering Notice shall use commercially reasonable efforts to provide a courtesy copy of each such Notice to the receiving party via electronic mail.

29.19 **Joint and Several.** If there is more than one Tenant, the obligations imposed upon Tenant under this Lease shall be joint and several.

29.20 **Authority.** If Tenant is a corporation, trust or partnership, each individual executing this Lease on behalf of Tenant hereby represents and warrants that Tenant is a duly formed and existing entity qualified to do business in California and that Tenant has full right and authority to execute and deliver this Lease and that each person signing on behalf of Tenant is authorized to do so. In such event, Tenant shall, within ten (10) days after execution of this Lease, deliver to Landlord satisfactory evidence of such authority and, if a corporation, upon demand by Landlord, also deliver to Landlord satisfactory evidence of (i) good standing in Tenant's state of incorporation and (ii) qualification to do business in California.

29.21 **Attorneys' Fees.** In the event that either Landlord or Tenant should bring suit for the possession of the Premises, for the recovery of any sum due under this Lease, or because of the breach of any provision of this Lease or for any other relief against the other, then all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party therein shall be paid by the other party, which obligation on the part of the other party shall be deemed to have accrued on the date of the commencement of such action and shall be enforceable whether or not the action is prosecuted to judgment.

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29.22 **Governing Law; WAIVER OF TRIAL BY JURY.** This Lease shall be construed and enforced in accordance with the laws of the State of California. IN ANY ACTION OR PROCEEDING ARISING HEREFROM, LANDLORD AND TENANT HEREBY CONSENT TO (I) THE JURISDICTION OF ANY COMPETENT COURT WITHIN THE STATE OF CALIFORNIA, (II) SERVICE OF PROCESS BY ANY MEANS AUTHORIZED BY CALIFORNIA LAW, AND (III) IN THE INTEREST OF SAVING TIME AND EXPENSE, TRIAL WITHOUT A JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER OR THEIR SUCCESSORS IN RESPECT OF ANY MATTER ARISING OUT OF OR IN CONNECTION WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE PREMISES, AND/OR ANY CLAIM FOR INJURY OR DAMAGE, OR ANY EMERGENCY OR STATUTORY REMEDY. IN THE EVENT LANDLORD COMMENCES ANY SUMMARY PROCEEDINGS OR ACTION FOR NONPAYMENT OF BASE RENT OR ADDITIONAL RENT, TENANT SHALL NOT INTERPOSE ANY COUNTERCLAIM OF ANY NATURE OR DESCRIPTION (UNLESS SUCH COUNTERCLAIM SHALL BE MANDATORY) IN ANY SUCH PROCEEDING OR ACTION, BUT SHALL BE RELEGATED TO AN INDEPENDENT ACTION AT LAW.

29.23 **Submission of Lease.** Submission of this instrument for examination or signature by Tenant does not constitute a reservation of, option for or option to lease, and it is not effective as a lease or otherwise until execution and delivery by both Landlord and Tenant.

29.24 **Brokers.** Landlord and Tenant hereby warrant to each other that they have had no dealings with any real estate broker or agent in connection with the negotiation of this Lease, excepting only the real estate brokers or agents specified in Section 12 of the Summary (the "**Brokers**"), and that they know of no other real estate broker or agent who is entitled to a commission in connection with this Lease. Landlord shall pay the Brokers pursuant to the terms of separate commission agreements. Each party agrees to indemnify and defend the other party against and hold the other party harmless from any and all claims, demands, losses, liabilities, lawsuits, judgments, costs and expenses (including without limitation reasonable attorneys' fees) with respect to any leasing commission or equivalent compensation alleged to be owing on account of any dealings with any real estate broker or agent, other than the Brokers, occurring by, through, or under the indemnifying party.

29.25 **Independent Covenants.** This Lease shall be construed as though the covenants herein between Landlord and Tenant are independent and not dependent and Tenant hereby expressly waives the benefit of any statute to the contrary and agrees that if Landlord fails to perform its obligations set forth herein, Tenant shall not be entitled to make any repairs or perform any acts hereunder at Landlord's expense or to any setoff of the Rent or other amounts owing hereunder against Landlord.

29.26 **Project or Building Name and Signage.** Landlord shall have the right at any time to change the name of the Project or Building and to install, affix and maintain any and all signs on the exterior and on the interior of the Project or Building as Landlord may, in Landlord's sole discretion, desire. Tenant shall not use the name of the Project or Building or use pictures or illustrations of the Project or Building in advertising or other publicity or for any purpose other than as the address of the business to be conducted by Tenant in the Premises, without the prior written consent of Landlord.

29.27 **Counterparts.** This Lease may be executed in counterparts with the same effect as if both parties hereto had executed the same document. Both counterparts shall be construed together and shall constitute a single lease.

29.28 **Confidentiality.** Tenant acknowledges that the content of this Lease and any related documents are confidential information. Tenant shall keep such confidential information strictly confidential and shall not disclose such confidential information to any person or entity other than Tenant's financial, legal, and space planning consultants.

29.29 **Transportation Management.** Tenant shall fully comply with all present or future programs intended to manage parking, transportation or traffic in and around the Building, and in connection therewith, Tenant shall take responsible action for the transportation planning and management of all employees located at the Premises by working directly with Landlord,

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any governmental transportation management organization or any other transportation-related committees or entities.

29.30 **Building Renovations.** It is specifically understood and agreed that Landlord has made no representation or warranty to Tenant and has no obligation and has made no promises to alter, remodel, improve, renovate, repair or decorate the Premises, Building, or any part thereof and that no representations respecting the condition of the Premises or the Building have been made by Landlord to Tenant except as specifically set forth herein or in the Work Letter. However, Tenant hereby acknowledges that Landlord is currently renovating or may during the Lease Term renovate, improve, alter, or modify (collectively, the “**Renovations**”) the Project, the Building and/or the Premises including without limitation the parking structure, common areas, systems and equipment, roof, and structural portions of the same, which Renovations may include, without limitation, (i) installing sprinklers in the Building common areas and tenant spaces, (ii) modifying the common areas and tenant spaces to comply with applicable laws and regulations, including regulations relating to the physically disabled, seismic conditions, and building safety and security, and (iii) installing new floor covering, lighting, and wall coverings in the Building common areas, and in connection with any Renovations, Landlord may, among other things, erect scaffolding or other necessary structures in the Building, limit or eliminate access to portions of the Project, including portions of the common areas, or perform work in the Building, which work may create noise, dust or leave debris in the Building. Tenant hereby agrees that such Renovations and Landlord’s actions in connection with such Renovations shall in no way constitute a constructive eviction of Tenant nor entitle Tenant to any abatement of Rent. Landlord shall have no responsibility or for any reason be liable to Tenant for any direct or indirect injury to or interference with Tenant’s business arising from the Renovations, nor shall Tenant be entitled to any compensation or damages from Landlord for loss of the use of the whole or any part of the Premises or of Tenant’s personal property or improvements resulting from the Renovations or Landlord’s actions in connection with such Renovations, or for any inconvenience or annoyance occasioned by such Renovations or Landlord’s actions.

29.31 **No Violation.** Tenant hereby warrants and represents that neither its execution of nor performance under this Lease shall cause Tenant to be in violation of any agreement, instrument, contract, law, rule or regulation by which Tenant is bound, and Tenant shall protect, defend, indemnify and hold Landlord harmless against any claims, demands, losses, damages, liabilities, costs and expenses, including, without limitation, reasonable attorneys’ fees and costs, arising from Tenant’s breach of this warranty and representation.

29.32 **Communications and Computer Lines.** Tenant may install, maintain, replace, remove or use any communications or computer wires and cables (collectively, the “**Lines**”) at the Project in or serving the Premises, provided that (i) Tenant shall obtain Landlord’s prior written consent, use Landlord’s designated contractor for provision of cabling and riser management services (or, if Landlord does not have a designated contractor, then an experienced and qualified contractor reasonably approved in writing by Landlord), and comply with all of the other provisions of Articles 7 and 8 of this Lease, (ii) an acceptable number of spare Lines and space for additional Lines shall be maintained for existing and future occupants of the Project, as determined in Landlord’s reasonable opinion, (iii) the Lines therefor (including riser cables) shall be (x) appropriately insulated to prevent excessive electromagnetic fields or radiation, (y) surrounded by a protective conduit reasonably acceptable to Landlord, and (z) identified in accordance with the “**Identification Requirements**,” as that term is set forth hereinbelow, (iv) any new or existing Lines servicing the Premises shall comply with all applicable governmental laws and regulations, (v) as a condition to permitting the installation of new Lines, Tenant shall remove existing Lines located in or serving the Premises and repair any damage in connection with such removal, and (vi) Tenant shall pay all costs in connection therewith. All Lines shall be clearly marked with adhesive plastic labels (or plastic tags attached to such Lines with wire) to show Tenant’s name, suite number, telephone number and the name of the person to contact in the case of an emergency (A) every four feet (4’) outside the Premises (specifically including, but not limited to, the electrical room risers and other Common Areas), and (B) at the Lines’ termination point(s) (collectively, the “**Identification Requirements**”). Upon the expiration of the Lease Term, or immediately following any earlier termination of this Lease, Tenant shall, at Tenant’s sole cost and expense, remove all Lines installed by Tenant, and repair any damage caused by such removal. In the event that Tenant fails to complete such removal and/or fails to repair any damage caused by the removal of any Lines, Landlord may do so and may charge the cost thereof to Tenant. Landlord reserves the right to require that Tenant remove any Lines located in or serving the Premises which are installed in violation of these provisions, or which

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are at any time (1) are in violation of any Applicable Laws, (2) are inconsistent with then-existing industry standards (such as the standards promulgated by the National Fire Protection Association (e.g., such organization's "2002 National Electrical Code")), or (3) otherwise represent a dangerous or potentially dangerous condition.

29.33 Hazardous Substances.

29.33.1 **Definitions.** For purposes of this Lease, the following definitions shall apply: "**Hazardous Material(s)**" shall mean any solid, liquid or gaseous substance or material that is described or characterized as a toxic or hazardous substance, waste, material, pollutant, contaminant or infectious waste, or any matter that in certain specified quantities would be injurious to the public health or welfare, or words of similar import, in any of the "Environmental Laws," as that term is defined below, or any other words which are intended to define, list or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity or reproductive toxicity and includes, without limitation, asbestos, petroleum (including crude oil or any fraction thereof, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel, or any mixture thereof), petroleum products, polychlorinated biphenyls, urea formaldehyde, radon gas, nuclear or radioactive matter, medical waste, soot, vapors, fumes, acids, alkalis, chemicals, microbial matters (such as molds, fungi or other bacterial matters), biological agents and chemicals which may cause adverse health effects, including but not limited to, cancers and /or toxicity. "**Environmental Laws**" shall mean any and all federal, state, local or quasi-governmental laws (whether under common law, statute or otherwise), ordinances, decrees, codes, rulings, awards, rules, regulations or guidance or policy documents now or hereafter enacted or promulgated and as amended from time to time, in any way relating to (i) the protection of the environment, the health and safety of persons (including employees), property or the public welfare from actual or potential release, discharge, escape or emission (whether past or present) of any Hazardous Materials or (ii) the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of any Hazardous Materials.

29.33.2 **Compliance with Environmental Laws.** Landlord covenants that during the Lease Term, Landlord shall comply with all Environmental Laws in accordance with, and as required by, the TCCs of Article 24 of this Lease. Tenant shall not sell, use, or store in or around the Premises any Hazardous Materials, except if stored, properly packaged and labeled, disposed of and/or used in accordance with applicable Environmental Laws. In addition, Tenant agrees that it: (i) shall not cause or suffer to occur, the release, discharge, escape or emission of any Hazardous Materials at, upon, under or within the Premises or any contiguous or adjacent premises; (ii) shall not engage in activities at the Premises that could result in, give rise to, or lead to the imposition of liability upon Tenant or Landlord or the creation of a lien upon the building or land upon which the Premises is located; (iii) shall notify Landlord promptly following receipt of any knowledge with respect to any actual release, discharge, escape or emission (whether past or present) of any Hazardous Materials at, upon, under or within the Premises; and (iv) shall promptly forward to Landlord copies of all orders, notices, permits, applications and other communications and reports in connection with any release, discharge, escape or emission of any Hazardous Materials at, upon, under or within the Premises or any contiguous or adjacent premises.

29.33.3 **Tenant Hazardous Materials.** Tenant will (i) obtain and maintain in full force and effect all Environmental Permits (as defined below) that may be required from time to time under any Environmental Laws applicable to Tenant or the Premises, and (ii) be and remain in compliance with all terms and conditions of all such Environmental Permits and with all other Environmental Laws. "**Environmental Permits**" means, collectively, any and all permits, consents, licenses, approvals and registrations of any nature at any time required pursuant to, or in order to comply with any Environmental Law. On or before the Lease Commencement Date and on each annual anniversary of the Lease Commencement Date thereafter, as well as at any other time following Tenant's receipt of a reasonable request from Landlord, Tenant agrees to deliver to Landlord a list of all Hazardous Materials anticipated to be used by Tenant in the Premises and the quantities thereof. At any time following Tenant's receipt of a request from Landlord, Tenant shall promptly complete a "hazardous materials questionnaire" using the form then-provided by Landlord. Upon the expiration or earlier termination of this Lease, Tenant agrees to promptly remove from the Premises, the Building and the Project, at its sole cost and expense, any and all Hazardous Materials, including any equipment or systems containing Hazardous Materials, which are installed, brought upon, stored,

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used, generated or released upon, in, under or about the Premises, the Building, and/or the Project or any portion thereof by Tenant and/or any Tenant Parties (such obligation to survive the expiration or sooner termination of this Lease). Nothing in this Lease shall impose any liability on Tenant for any Hazardous Materials in existence on the Premises, Building or Project prior to the Lease Commencement Date or brought onto the Premises, Building or Project after the Lease Commencement Date by any third parties not under Tenant's control.

29.33.4 **Landlord's Right of Environmental Audit.** Landlord may, upon reasonable notice to Tenant, be granted access to and enter the Premises no more than once annually to perform or cause to have performed an environmental inspection, site assessment or audit. Such environmental inspector or auditor may be chosen by Landlord, in its sole discretion, and be performed at Landlord's sole expense. To the extent that the report prepared upon such inspection, assessment or audit, indicates the presence of Hazardous Materials in violation of Environmental Laws, or provides recommendations or suggestions to prohibit the release, discharge, escape or emission of any Hazardous Materials at, upon, under or within the Premises, or to comply with any Environmental Laws, Tenant shall promptly, at Tenant's sole expense, comply with such recommendations or suggestions, including, but not limited to performing such additional investigative or subsurface investigations or remediation(s) as recommended by such inspector or auditor. Notwithstanding the above, if at any time, Landlord has actual notice or reasonable cause to believe that Tenant has violated, or permitted any violations of any Environmental Law, then Landlord will be entitled to perform its environmental inspection, assessment or audit at any time, notwithstanding the above mentioned annual limitation, and Tenant must reimburse Landlord for the cost or fees incurred for such as Additional Rent.

29.33.5 **Indemnifications.** Landlord agrees to indemnify, defend, protect and hold harmless the Tenant Parties from and against any liability, obligation, damage or costs, including without limitation, attorneys' fees and costs, resulting directly or indirectly from any use, presence, removal or disposal of any Hazardous Materials to the extent such liability, obligation, damage or costs was a result of actions caused or knowingly permitted by Landlord or a Landlord Party. Tenant agrees to indemnify, defend, protect and hold harmless the Landlord Parties from and against any liability, obligation, damage or costs, including without limitation, attorneys' fees and costs, resulting directly or indirectly from any use, presence, removal or disposal of any Hazardous Materials or breach of any provision of this section, to the extent such liability, obligation, damage or costs was a result of actions caused or permitted by Tenant or a Tenant Party.

29.34 **Development of the Project.**

29.34.1 **Subdivision.** Landlord reserves the right to further subdivide all or a portion of the Project. Tenant agrees to execute and deliver, upon demand by Landlord and in the form requested by Landlord, any additional documents needed to conform this Lease to the circumstances resulting from such subdivision.

29.34.2 **The Other Improvements.** If portions of the Project or property adjacent to the Project (collectively, the "Other Improvements") are owned by an entity other than Landlord, Landlord, at its option, may enter into an agreement with the owner or owners of any or all of the Other Improvements to provide (i) for reciprocal rights of access and/or use of the Project and the Other Improvements, (ii) for the common management, operation, maintenance, improvement and/or repair of all or any portion of the Project and the Other Improvements, (iii) for the allocation of a portion of the Direct Expenses to the Other Improvements and the operating expenses and taxes for the Other Improvements to the Project, and (iv) for the use or improvement of the Other Improvements and/or the Project in connection with the improvement, construction, and/or excavation of the Other Improvements and/or the Project. Nothing contained herein shall be deemed or construed to limit or otherwise affect Landlord's right to convey all or any portion of the Project or any other of Landlord's rights described in this Lease.

29.34.3 **Construction of Project and Other Improvements.** Tenant acknowledges that portions of the Project and/or the Other Improvements may be under construction following Tenant's occupancy of the Premises, and that such construction may result in levels of noise, dust, obstruction of access, etc. which are in excess of that present in a fully constructed project. Tenant hereby waives any and all rent offsets or claims of constructive eviction which may arise in connection with such construction.

29.35 **Water Sensors.** Tenant shall, as part of the Improvements to be constructed in the Premises pursuant to the terms and conditions of the Work Letter, be responsible for promptly installing web-enabled wireless water leak sensor devices designed to alert the Tenant on a twenty-four (24) hour seven (7) day per week basis if a water leak is occurring in the Premises (which water sensor device(s) located in the Premises shall be referred to herein as “**Water Sensors**”). The Water Sensors shall be installed in any areas in the Premises where water is utilized (such as sinks, pipes, faucets, water heaters, coffee machines, ice machines, water dispensers and water fountains), and in locations that may be designated from time to time by Landlord (the “**Sensor Areas**”). In connection with any Alterations affecting or relating to any Sensor Areas, Landlord may require Water Sensors to be installed or updated in Landlord’s sole and absolute discretion. With respect to the installation of any such Water Sensors, Tenant shall obtain Landlord’s prior written consent, use an experienced and qualified contractor reasonably designated by Landlord, and comply with all of the other provisions of Article 8 of this Lease. Tenant shall, at Tenant’s sole cost and expense, pursuant to Article 7 of this Lease keep any Water Sensors located in the Premises (whether installed by Tenant or someone else) in good working order, repair and condition at all times during the Lease Term and comply with all of the other provisions of Article 7 of this Lease. Notwithstanding any provision to the contrary contained herein, Landlord has neither an obligation to monitor, repair or otherwise maintain the Water Sensors, nor an obligation to respond to any alerts it may receive from the Water Sensors or which may be generated from the Water Sensors. Upon the expiration of the Lease Term, or immediately following any earlier termination of this Lease, Landlord reserves the right to require Tenant, at Tenant’s sole cost and expense, to remove all Water Sensors installed by Tenant, and repair any damage caused by such removal; provided, however, if the Landlord does not require the Tenant to remove the Water Sensors as contemplated by the foregoing, then Tenant shall leave the Water Sensors in place together with all necessary user information such that the same may be used by a future occupant of the Premises (e.g., the water sensors shall be unblocked and ready for use by a third-party). If Tenant is required to remove the Water Sensors pursuant to the foregoing and Tenant fails to complete such removal and/or fails to repair any damage caused by the removal of any Water Sensors, Landlord may do so and may charge the cost thereof to Tenant.

29.36 **No Discrimination.** Tenant covenants by and for itself, its heirs, executors, administrators and assigns, and all persons claiming under or through Tenant, and this Lease is made and accepted upon and subject to the following conditions: that there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, sex, religion, marital status, ancestry or national origin in the leasing, subleasing, transferring, use, or enjoyment of the Premises, nor shall Tenant itself, or any person claiming under or through Tenant, establish or permit such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy, of tenants, lessees, sublessees, subtenants or vendees in the Premises.

29.37 **LEED Certification.** Landlord may, in Landlord’s sole and absolute discretion, elect to apply to obtain or maintain a LEED certification for the Project (or portion thereof), or other applicable certification in connection with Landlord’s sustainability practices for the Project (as such sustainability practices are to be determined by Landlord, in its sole and absolute discretion, from time to *time*). In the event that Landlord elects to pursue such an aforementioned certification, Tenant shall, at Tenant’s sole cost and expense, promptly cooperate with the Landlord’s efforts in connection therewith and provide Landlord with any documentation it may need in order to obtain or maintain the aforementioned certification (which cooperation may include, but shall not be limited to, Tenant complying with certain standards pertaining to the purchase of materials used in connection with any Alterations or improvements undertaken by the Tenant in the Project, the sharing of documentation pertaining to any Alterations or improvements undertaken by Tenant in the Project with Landlord, and the sharing of Tenant’s billing information pertaining to trash removal and recycling related to Tenant’s operations in the Project).

29.38 **Utility Billing Information.** In the event that the Tenant is permitted to contract directly for the provision of electricity, gas and/or water services to the Premises with the third-party provider thereof (all in Landlord’s sole and absolute discretion), Tenant shall promptly, but in no event more than five (5) business days following its receipt of each and every invoice for such items from the applicable provider, provide Landlord with a copy of each such invoice.

29.39 **Green Cleaning/Recycling.** To the extent a “green cleaning program” and/or a recycling program is implemented by Landlord in the Building and/or Project (each in Landlord’s

sole and absolute discretion), Tenant shall, at Tenant's sole cost and expense, comply with the provisions of each of the foregoing programs (e.g., Tenant shall separate waste appropriately so that it can be efficiently processed by Landlord's particular recycling contractors). To the extent Tenant fails to comply with any of Landlord's recycling programs contemplated by the foregoing, Tenant shall be required to pay any contamination charges related to such non-compliance.

29.40 **Rooftop Rights.** Provided that Tenant remains in occupancy of the entire Premises, then in accordance with, and subject to, (A) reasonable construction rules and regulations promulgated by Landlord, (B) the Building standards therefor, and (C) the TCCs set forth in Article 8 of this Lease and this Section 29.40, Tenant may install, repair, maintain and use, at Tenant's sole cost and expense, but without the payment of any Base Rent or similar fee or charge, one (1) satellite dish on the roof of the Building for the sending and receiving of signals or broadcasts (provided that there shall be no generation or transmission of commercial signals or broadcasts) servicing the business conducted by Tenant from within the Premises (such satellite is defined as the "**Rooftop Equipment**"). The Rooftop Equipment shall be no larger than (or otherwise occupy a space which is larger than) two feet (2') high, two feet (2') long and two feet (2') wide. Tenant shall be solely responsible for any and all costs incurred or arising in connection with the Rooftop Equipment, including but not limited to costs of electricity and insurance related to the Rooftop Equipment. Landlord makes no representations or warranties whatsoever with respect to the condition of the roof of the Building, or the fitness or suitability of the roof of the Building for the installation, maintenance and operation of the Rooftop Equipment, including, without limitation, with respect to the quality and clarity of any receptions and transmissions to or from the Rooftop Equipment and the presence of any interference with such signals whether emanating from the Building or otherwise. The physical appearance and the size of the Rooftop Equipment shall be subject to Landlord's reasonable approval, the location of any such Rooftop Equipment shall be mutually agreed upon by Landlord and Tenant and Landlord may require Tenant to install screening around such Rooftop Equipment, at Tenant's sole cost and expense, as reasonably designated by Landlord. Tenant shall service, maintain and repair such Rooftop Equipment, at Tenant's sole cost and expense. In the event Tenant elects to exercise its right to install the Rooftop Equipment, then Tenant shall give Landlord prior notice thereof. Tenant shall reimburse to Landlord the actual costs reasonably incurred by Landlord in approving such Rooftop Equipment. Tenant's rights under this Section 29.40 shall terminate and shall be of no further force or effect upon the expiration or earlier termination of this Lease, or, in the event Tenant (or a Permitted Transferee Assignee) no longer occupies the Premises. Prior to the expiration or earlier termination of this Lease, Tenant shall, as promptly as possible but in no event more than fifteen (15) days thereafter, remove and restore the affected portion of the rooftop, the Building and the Premises to the condition the rooftop, the Building and the Premises would have been in had no such Rooftop Equipment been installed (reasonable wear and tear excepted). Such Rooftop Equipment shall be installed pursuant to plans and specifications approved by Landlord (specifically including, without limitation, all mounting and waterproofing details), which approval will not be unreasonably withheld, conditioned, or delayed. Notwithstanding any such review or approval by Landlord, Tenant shall remain solely liable for any damage arising in connection with Tenant's installation, use, maintenance and/or repair of such Rooftop Equipment, including, without limitation, any damage to a portion of the roof or roof membrane and any penetrations to the roof. Landlord and Tenant hereby acknowledge and agree that Landlord shall have no liability in connection with Tenant's use, maintenance and/or repair of such Rooftop Equipment. Such Rooftop Equipment shall, in all instances, comply with applicable governmental laws, codes, rules and regulations. Tenant shall not be entitled to license its Rooftop Equipment to any third party, nor shall Tenant be permitted to receive any revenues, fees or any other consideration for the use of such Rooftop Equipment by a third party. Tenant's right to install such Rooftop Equipment shall be non-exclusive, and Tenant hereby expressly acknowledges Landlord's continued right (i) to itself utilize any portion of the rooftop of the Building, and (ii) to re-sell, license or lease any rooftop space to an unaffiliated third party; provided, however, such Landlord (or third-party) use shall not materially interfere with (or preclude the installation of) Tenant's Rooftop Equipment. Notwithstanding any provision to the contrary contained in this Section 29.40, in no event shall Tenant access the roof of the Building without first receiving Landlord's prior consent. The rights contained in this Section 29.40 shall be personal to the Original Tenant and any Permitted Transferee Assignee, and may only be exercised by the Original Tenant and any Permitted Transferee Assignee (and not by any other assignee, sublessee or other transferee of Tenant's

interest in the Lease) if the Original Tenant or Permitted Transferee Assignee occupies the entire Premises as of the date of the attempted exercise of its rooftop rights set forth herein.

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be executed the day and date first above written.

“LANDLORD”:

KILROY REALTY, L.P.,
a Delaware limited partnership

By: Kilroy Realty Corporation,
a Maryland corporation,
General Partner

By: /s/ Brian Galligan

Name: Brian Galligan

Its: SVP

By: /s/ Jeffrey C. Hawken

Name: Jeffrey C. Hawken

Its: Chief Operating Officer

“TENANT”:

AIRGAIN, INC.,
a California corporation

By: /s/ Charles Myers

Name: Charles Myers

Its: CEO

By: /s/ Glenn Selbo

Name: Glenn Selbo

Its: COO

***NOTE:**

If Tenant is a California corporation, then one of the following alternative requirements must be satisfied:

(A) This Lease must be signed by two (2) officers of such corporation: one being the chairman of the board, the president or a vice president, and the other being the secretary, an assistant secretary, the chief financial officer or an assistant treasurer. If one (1) individual is signing in two (2) of the foregoing capacities, that individual must identify the two (2) capacities.

(B) If the requirements of (A) above are not satisfied, then Tenant shall deliver to Landlord evidence in a form reasonably acceptable to Landlord that the signatory(ies) is (are) authorized to execute this Lease.

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EXHIBIT A

KILROY CENTRE DEL MAR

OUTLINE OF PREMISES

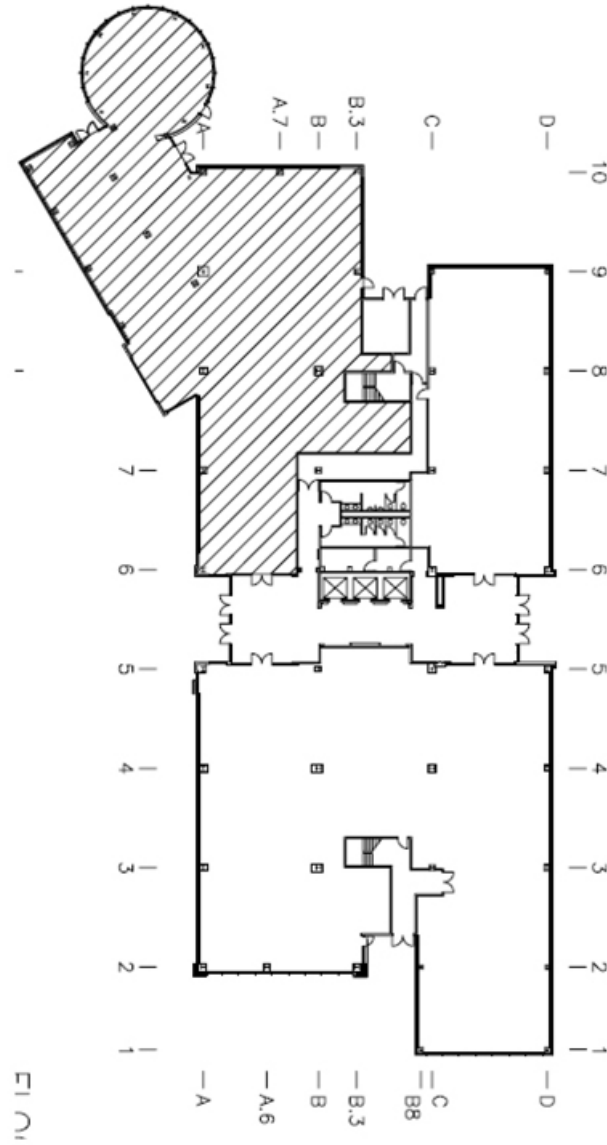


EXHIBIT A
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EXHIBIT B

KILROY CENTRE DEL MAR

WORK LETTER

This Work Letter shall set forth the terms and conditions relating to the construction of the Premises. This Work Letter is essentially organized chronologically and addresses the issues of the construction of the Premises, in sequence, as such issues will arise during the actual construction of the Premises. All references in this Work Letter to Articles or Sections of "this Lease" shall mean the relevant portions of Articles 1 through 29 of the Office Lease to which this Work Letter is attached as **Exhibit B** and of which this Work Letter forms a part, and all references in this Work Letter to Sections of "this Work Letter" shall mean the relevant portion of Sections 1 through 5 of this Work Letter.

SECTION 1

DELIVERY OF THE PREMISES

Tenant acknowledges that Tenant has thoroughly examined the Premises. Upon the full execution and delivery of this Lease by Landlord and Tenant, Landlord shall deliver the Premises and Tenant shall accept the Premises from Landlord in their presently existing, "as-is" condition as of the date of this Lease.

SECTION 2

IMPROVEMENTS

2.1 Improvement Allowance. Tenant shall be entitled to a one-time improvement allowance (the "**Improvement Allowance**") in the amount of Five Hundred Fifteen Thousand One Hundred and 00/100 Dollars (\$515,100.00) (*i.e.*, Fifty and 00/100 Dollars (\$50.00) per rentable square foot of the Premises) for the costs relating to the initial design and construction of the improvements, which are permanently affixed to the Premises (the "**Improvements**"). In no event shall Landlord be obligated to make disbursements pursuant to this Work Letter in the event that Tenant fails to immediately pay any portion of the "Over-Allowance Amount," as defined in Section 4.2.1, nor shall Landlord be obligated to pay a total amount which exceeds the Improvement Allowance. Notwithstanding the foregoing or any contrary provision of this Lease, all Improvements shall be deemed Landlord's property under the terms of this Lease. Any unused portion of the Improvement Allowance remaining as of the date which is ninety (90) days following the date upon which Tenant first commences to conduct business in the Premises shall remain with Landlord and Tenant shall have no further right thereto.

2.2 Disbursement of the Improvement Allowance.

2.2.1 Improvement Allowance Items. Except as otherwise set forth in this Work Letter, the Improvement Allowance shall be disbursed by Landlord (each of which disbursements shall be made pursuant to Landlord's disbursement process, including, without limitation, Landlord's receipt of invoices for all costs and fees described herein) only for the following items and costs (collectively the "**Improvement Allowance Items**"):

2.2.1.1 Payment of the fees of the "Architect" and the "Engineers," as those terms are defined in Section 3.1 of this Work Letter, which fees shall, notwithstanding anything to the contrary contained in this Work Letter, not exceed an aggregate amount equal to Five and 00/100 Dollars (\$5.00) per rentable square foot of the Premises, and payment of the fees incurred by, and the cost of documents and materials supplied by, Landlord and Landlord's consultants in connection with the preparation and review of the "Construction Drawings," as that term is defined in Section 3.1 of this Work Letter;

2.2.1.2 The payment of plan check, permit and license fees relating to construction of the Improvements;

EXHIBIT B

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2.2.1.3 The cost of construction of the Improvements, including, without limitation, testing and inspection costs, freight elevator usage, hoisting and trash removal costs, and contractors' fees and general conditions;

2.2.1.4 The cost of any changes in the Base Building when such changes are required by the Construction Drawings, such cost to include all direct architectural and/or engineering fees and expenses incurred in connection therewith;

2.2.1.5 The cost of any changes to the Construction Drawings or Improvements required by all applicable building codes (the "Code");

2.2.1.6 The cost of the "Coordination Fee," as that term is defined in Section 4.2.2.1 of this Work Letter;

2.2.1.7 Sales and use taxes;

2.2.1.8 All other costs to be expended by Landlord in connection with the construction of the Improvements; and

2.2.1.9 The costs incurred by Tenant (but in no event for an amount in excess of three and one-half percent (3.5%) of the Improvement Allowance) for Tenant's retention of "Hughes Marino/CM" as Tenant's project management consultant.

2.2.2 Disbursement of Improvement Allowance. During the construction of the Improvements, Landlord shall make monthly disbursements of the Improvement Allowance for Improvement Allowance Items and shall authorize the release of monies as follows.

2.2.2.1 Monthly Disbursements. On or before the twentieth (20th) day of each calendar month, during the construction of the Improvements (or such other date as Landlord may designate), Tenant shall deliver to Landlord: (i) a request for payment of the "Contractor," as that term is defined in Section 4.1.1 of this Work Letter, approved by Tenant, in a form to be provided by Landlord, showing the schedule, by trade, of percentage of completion of the Improvements in the Premises, detailing the portion of the work completed and the portion not completed; (ii) invoices from all of "Tenant's Agents," as that term is defined in Section 4.1.2 of this Work Letter, for labor rendered and materials delivered to the Premises; (iii) executed mechanic's lien releases from all of Tenant's Agents which shall comply with the appropriate provisions, as reasonably determined by Landlord, of California Civil Code Sections 8132, 8134, 8136 and 8138; and (iv) all other information reasonably requested by Landlord. Tenant's request for payment shall be deemed Tenant's acceptance and approval of the work furnished and/or the materials supplied as set forth in Tenant's payment request. Thereafter, Landlord shall deliver a check to Tenant made jointly payable to Contractor and Tenant, or directly to Contractor at Landlord's sole discretion, in payment of the lesser of: (A) the amounts so requested by Tenant, as set forth in this Section 2.2.2.1, above, less a ten percent (10%) retention (the aggregate amount of such retentions to be known as the "Final Retention"), and (B) the balance of any remaining available portion of the Improvement Allowance (not including the Final Retention), provided that Landlord does not dispute any request for payment based on non-compliance of any work with the "Approved Working Drawings," as that term is defined in Section 3.4 below, or due to any substandard work, or for any other reason. Landlord's payment of such amounts shall not be deemed Landlord's approval or acceptance of the work furnished or materials supplied as set forth in Tenant's payment request.

2.2.2.2 Final Retention. Subject to the provisions of this Work Letter, a check for the Final Retention payable jointly to Tenant and Contractor, or directly to Contractor at Landlord's sole discretion, shall be delivered by Landlord to Tenant within thirty (30) days following the completion of construction of the Improvements, provided that (i) Tenant delivers to Landlord (a) paid invoices for all Improvements and related costs for which the Improvement Allowance is to be dispersed, (b) signed permits for all Improvements completed within the Premises, (c) properly executed unconditional mechanics lien releases in compliance with both California Civil Code Section 8134 and either Section 8136 or Section 8138 from Tenant's contractor, subcontractors and material suppliers and any other party which has lien rights in connection with the construction of the Improvements, (ii) Landlord has determined that no substandard work exists which adversely affects the mechanical, electrical, plumbing, heating, ventilating and air conditioning, life-safety or other systems of the Building, the curtain wall of

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the Building, the structure or exterior appearance of the Building, or any other tenant's use of such other tenant's leased premises in the Building, (iii) Architect delivers to Landlord a "Certificate of Substantial Completion", in a form reasonably acceptable to Landlord, certifying that the construction of the Improvements in the Premises has been substantially completed, (iv) Tenant delivers to Landlord a "close-out package" in both paper and electronic forms (including, as-built drawings, and final record CADD files for the associated plans, warranties and guarantees from all contractors, subcontractors and material suppliers, and an independent air balance report); and (v) a certificate of occupancy, a temporary certificate of occupancy or its equivalent is issued to Tenant for the Premises.

2.2.2.3 Other Terms. Landlord shall only be obligated to make disbursements from the Improvement Allowance to the extent costs are incurred by Tenant for Improvement Allowance Items. All Improvement Allowance Items for which the Improvement Allowance has been made available shall be deemed Landlord's property under the terms of this Lease.

2.3 Building Standards. Landlord has established or may establish specifications for certain Building standard components to be used in the construction of the Improvements in the Premises. The quality of Improvements shall be equal to or of greater quality than the quality of such Building standards, provided that Landlord may, at Landlord's option, require the Improvements to comply with certain Building standards. Landlord may make changes to said specifications for Building standards from time to time. Removal requirements regarding the Improvements are addressed in Article 8 of this Lease.

2.4 Water Sensors. In connection with the construction of the Improvements pursuant to the terms of this Work Letter, Tenant shall, at Tenant's sole cost and expense (which may be deducted from the Improvement Allowance in accordance with the provisions of Section 2.2 of this Work Letter), install Water Sensors (as more particularly contemplated by the terms of Section 29.35 of this Lease). The Water Sensors so installed by Tenant shall be subject to the terms and conditions set forth in Section 29.35 of this Lease.

2.5 Additional Improvement Allowance. In addition to the Improvement Allowance, Tenant shall, only if so elected by Tenant in writing on or before the Lease Commencement Date, be entitled to a one-time additional allowance increase in an amount to be specified in such written notice and not to exceed Fifty-One Thousand Five Hundred Ten and 00/100 Dollars (\$51,510.00) (i.e., Five and 00/100 Dollars (\$5.00) per rentable square foot of the Premises) (the "**Additional Improvement Allowance**") toward the payment of the costs of the Improvement Allowance Items. In the event Tenant timely exercises its right to use all or any portion of the Additional Improvement Allowance, the monthly Base Rent for the Premises shall be increased by an amount equal to the "Additional Monthly Base Rent," as that term is defined below, in order to repay the Additional Improvement Allowance to Landlord. The "**Additional Monthly Base Rent**" shall be determined as the missing component of an annuity, which annuity shall have (i) the amount of the Additional Improvement Allowance utilized by Tenant as the present value amount, (ii) the number of full calendar months in the initial Lease Term as the number of payments, (iii) sixty-seven one-hundredths (0.67), which is equal to eight percent (8%) divided by twelve (12) months per year, as the monthly interest factor, and (iv) the Additional Monthly Base Rent as the missing component of the annuity. Once the Additional Monthly Base Rent has been determined in accordance with this Section 2.5, such Additional Monthly Base Rent amount shall be allocated as an increase to the monthly Base Rent amounts due and payable for the Premises, which allocation shall be determined by Landlord in its reasonable and equitable discretion. In the event Tenant uses any portion of the Additional Improvement Allowance, then all references in this Work Letter to the "Improvement Allowance," shall be deemed to include the Additional Improvement Allowance utilized by Tenant. Landlord and Tenant hereby acknowledge and agree that in the event Tenant timely elects to utilize the Additional Improvement Allowance or a portion thereof, the Additional Monthly Base Rent shall not be subject to the rent abatement otherwise identified in Section 3.2 and 3.3 of this Lease, and, accordingly, Tenant shall be required to pay the monthly payment of Additional Monthly Base Rent during both the Full Base Rent Abatement Period and the Partial Base Rent Abatement Period.

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SECTION 3

CONSTRUCTION DRAWINGS

3.1 Selection of Architect/Construction Drawings. Tenant shall retain Gensler (the “**Architect**”) to prepare the “Construction Drawings,” as that term is defined in this Section 3.1. Tenant shall retain the engineering consultants designated by Tenant and reasonably approved by Landlord (the “**Engineers**”) to prepare all plans and engineering working drawings relating to the structural, mechanical, electrical, plumbing, HVAC, lifesafety, and sprinkler work in the Premises, which work is not part of the Base Building. The plans and drawings to be prepared by Architect and the Engineers hereunder shall be known collectively as the “**Construction Drawings**.” All Construction Drawings shall comply with the drawing format and specifications determined by Landlord, and shall be subject to Landlord’s approval. Tenant and Architect shall verify, in the field, the dimensions and conditions as shown on the relevant portions of the Base Building plans, and Tenant and Architect shall be solely responsible for the same, and Landlord shall have no responsibility in connection therewith. Landlord’s review of the Construction Drawings as set forth in this Section 3, shall be for its sole purpose and shall not imply Landlord’s review of the same, or obligate Landlord to review the same, for quality, design, Code compliance or other like matters. Accordingly, notwithstanding that any Construction Drawings are reviewed by Landlord or its space planner, architect, engineers and consultants, and notwithstanding any advice or assistance which may be rendered to Tenant by Landlord or Landlord’s space planner, architect, engineers, and consultants, Landlord shall have no liability whatsoever in connection therewith and shall not be responsible for any omissions or errors contained in the Construction Drawings, and Tenant’s waiver and indemnity set forth in this Lease shall specifically apply to the Construction Drawings.

3.2 Final Space Plan. Tenant shall supply Landlord with four (4) hard copies signed by Tenant of its final space plan, along with other renderings or illustrations reasonably required by Landlord, to allow Landlord to understand Tenant’s design intent, for the Premises before any architectural working drawings or engineering drawings have been commenced, and concurrently with Tenant’s delivery of such hard copies, Tenant shall send to Landlord via electronic mail one (1) .pdf electronic copy of such final space plan. The final space plan (the “**Final Space Plan**”) shall include a layout and designation of all offices, rooms and other partitioning, their intended use, and equipment to be contained therein. Landlord may request clarification or more specific drawings for special use items not included in the Final Space Plan. Landlord shall advise Tenant within five (5) business days after Landlord’s receipt of the Final Space Plan for the Premises if the same is unsatisfactory or incomplete in any respect. If Tenant is so advised, Tenant shall promptly cause the Final Space Plan to be revised to correct any deficiencies or other matters Landlord may reasonably require.

3.3 Final Working Drawings. After the Final Space Plan has been approved by Landlord, Tenant shall supply the Engineers with a complete listing of standard and non-standard equipment and specifications, including, without limitation, B.T.U. calculations, electrical requirements and special electrical receptacle requirements for the Premises, to enable the Engineers and the Architect to complete the “Final Working Drawings” (as that term is defined below) in the manner as set forth below. Upon the approval of the Final Space Plan by Landlord and Tenant, Tenant shall promptly cause the Architect and the Engineers to complete the architectural and engineering drawings for the Premises, and Architect shall compile a fully coordinated set of architectural, structural, mechanical, electrical and plumbing working drawings in a form which is complete to allow subcontractors to bid on the work and to obtain all applicable permits (collectively, the “**Final Working Drawings**”) and shall submit the same to Landlord for Landlord’s approval. Tenant shall supply Landlord with four (4) hard copies signed by Tenant of the Final Working Drawings, and concurrently with Tenant’s delivery of such hard copies, Tenant shall send to Landlord via electronic mail one (1) .pdf electronic copy of such Final Working Drawings. Landlord shall advise Tenant within ten (10) business days after Landlord’s receipt of the Final Working Drawings for the Premises if the same is unsatisfactory or incomplete in any respect. If Tenant is so advised, Tenant shall immediately revise the Final Working Drawings in accordance with such review and any disapproval of Landlord in connection therewith. In addition, if the Final Working Drawings or any amendment thereof or supplement thereto shall require alterations in the Base Building (as contrasted with the Improvements), and if Landlord in its sole and exclusive discretion agrees to any such alterations, and notifies Tenant of the need and cost for such alterations, then Tenant shall pay the cost of such required changes in advance upon receipt of notice thereof. Tenant shall pay all

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direct architectural and/or engineering fees in connection therewith, plus fifteen percent (15%) of such direct costs for Landlord's servicing and overhead.

3.4 Approved Working Drawings. The Final Working Drawings shall be approved by Landlord (the "**Approved Working Drawings**") prior to the commencement of construction of the Premises by Tenant. After approval by Landlord of the Final Working Drawings, Tenant may submit the same to the appropriate municipal authorities for all applicable building permits. Tenant hereby agrees that neither Landlord nor Landlord's consultants shall be responsible for obtaining any building permit or certificate of occupancy for the Premises and that obtaining the same shall be Tenant's responsibility; provided, however, that Landlord shall cooperate with Tenant in executing permit applications and performing other ministerial acts reasonably necessary to enable Tenant to obtain any such permit or certificate of occupancy. No changes, modifications or alterations in the Approved Working Drawings may be made without the prior written consent of Landlord, which consent may not be unreasonably withheld.

3.5 Electronic Approvals. Notwithstanding any provision to the contrary contained in the Lease or this Work Letter, Landlord may, in Landlord's sole and absolute discretion, transmit or otherwise deliver any of the approvals required under this Work Letter via electronic mail to Tenant's representative identified in Section 5.1 of this Work Letter, or by any of the other means identified in Section 29.18 of this Lease.

SECTION 4

CONSTRUCTION OF THE IMPROVEMENTS

4.1 Tenant's Selection of Contractors.

4.1.1 The Contractor. A general contractor shall be retained by Tenant to construct the Improvements. Such general contractor ("**Contractor**") shall be selected by Tenant from a list of general contractors supplied by Landlord, and Tenant shall deliver to Landlord notice of its selection of the Contractor upon such selection.

4.1.2 Tenant's Agents. All subcontractors, laborers, materialmen, and suppliers used by Tenant (such subcontractors, laborers, materialmen, and suppliers, and the Contractor to be known collectively as "**Tenant's Agents**") must be approved in writing by Landlord, which approval shall not be unreasonably withheld or delayed. If Landlord does not approve any of Tenant's proposed subcontractors, laborers, materialmen or suppliers, Tenant shall submit other proposed subcontractors, laborers, materialmen or suppliers for Landlord's written approval.

4.2 Construction of Improvements by Tenant's Agents.

4.2.1 Construction Contract; Cost Budget. Tenant shall engage the Contractor under an AIA A101 Stipulated Sum Agreement (2007 Version) accompanied by Landlord's standard AIA A201 General Conditions (2007 Version) as modified by Landlord (collectively, the "**Contract**"). Prior to the commencement of the construction of the Improvements, and after Tenant has accepted all bids for the Improvements, Tenant shall provide Landlord with a detailed breakdown, by trade, of the final costs to be incurred or which have been incurred, as set forth more particularly in Sections 2.2.1.1 through 2.2.1.9, above, in connection with the design and construction of the Improvements to be performed by or at the direction of Tenant or the Contractor, which costs form a basis for the amount of the Contract (the "**Final Costs**"). Prior to the commencement of construction of the Improvements, Tenant shall supply Landlord with cash in an amount (the "**Over-Allowance Amount**") equal to the difference between the amount of the Final Costs and the amount of the Improvement Allowance (less any portion thereof already disbursed by Landlord, or in the process of being disbursed by Landlord, on or before the commencement of construction of the Improvements). The Over-Allowance Amount shall be disbursed by Landlord on a pro-rata basis along with any of the then remaining portion of the Improvement Allowance, and such disbursement shall be pursuant to the same procedure as the Improvement Allowance. In the event that, after the Final Costs have been delivered by Tenant to Landlord, the costs relating to the design and construction of the Improvements shall change, any additional costs necessary to such design and construction in excess of the Final Costs, shall be paid by Tenant to Landlord immediately as an addition to the Over-Allowance Amount or at

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Landlord's option, Tenant shall make payments for such additional costs out of its own funds, but Tenant shall continue to provide Landlord with the documents described in Sections 2.2.2.1(i), (ii), (iii) and (iv) of this Work Letter, above, for Landlord's approval, prior to Tenant paying such costs.

4.2.2 Tenant's Agents.

4.2.2.1 Landlord's General Conditions for Tenant's Agents and Improvement Work. Tenant's and Tenant's Agent's construction of the Improvements shall comply with the following: (i) the Improvements shall be constructed in strict accordance with the Approved Working Drawings; (ii) Tenant's Agents shall submit schedules of all work relating to the Improvements to Contractor and Contractor shall, within five (5) business days of receipt thereof, inform Tenant's Agents of any changes which are necessary thereto, and Tenant's Agents shall adhere to such corrected schedule; and (iii) Tenant shall abide by all rules made by Landlord's Building manager with respect to the use of freight, loading dock and service elevators, storage of materials, coordination of work with the contractors of other tenants, and any other matter in connection with this Work Letter, including, without limitation, the construction of the Improvements. Tenant shall pay a logistical coordination fee (the "**Coordination Fee**") to Landlord in an amount equal to the product of (i) one and one-half percent (1.5%), and (ii) the sum of the Improvement Allowance, the Over-Allowance Amount, as such amount may be increased hereunder, and any other amounts expended by Tenant in connection with the design and construction of the Improvements, which Coordination Fee shall be for services relating to the coordination of the construction of the Improvements.

4.2.2.2 Indemnity. Tenant's indemnity of Landlord as set forth in this Lease shall also apply with respect to any and all costs, losses, damages, injuries and liabilities related in any way to any act or omission of Tenant or Tenant's Agents, or anyone directly or indirectly employed by any of them, or in connection with Tenant's non-payment of any amount arising out of the Improvements and/or Tenant's disapproval of all or any portion of any request for payment. Such indemnity by Tenant, as set forth in this Lease, shall also apply with respect to any and all costs, losses, damages, injuries and liabilities related in any way to Landlord's performance of any ministerial acts reasonably necessary (i) to permit Tenant to complete the Improvements, and (ii) to enable Tenant to obtain any building permit or certificate of occupancy for the Premises.

4.2.2.3 Requirements of Tenant's Agents. Each of Tenant's Agents shall guarantee to Tenant and for the benefit of Landlord that the portion of the Improvements for which it is responsible shall be free from any defects in workmanship and materials for a period of not less than one (1) year from the date of completion thereof. Each of Tenant's Agents shall be responsible for the replacement or repair, without additional charge, of all work done or furnished in accordance with its contract that shall become defective within one (1) year after the later to occur of (i) completion of the work performed by such contractor or subcontractors and (ii) the Lease Commencement Date. The correction of such work shall include, without additional charge, all additional expenses and damages incurred in connection with such removal or replacement of all or any part of the Improvements, and/or the Building and/or common areas that may be damaged or disturbed thereby. All such warranties or guarantees as to materials or workmanship of or with respect to the Improvements shall be contained in the Contract or subcontract and shall be written such that such guarantees or warranties shall inure to the benefit of both Landlord and Tenant, as their respective interests may appear, and can be directly enforced by either. Tenant covenants to give to Landlord any assignment or other assurances which may be necessary to effect such right of direct enforcement.

4.2.2.4 Insurance Requirements.

4.2.2.4.1 General Coverages. All of Tenant's Agents shall carry worker's compensation insurance covering all of their respective employees, and shall also carry public liability insurance, including property damage, all with limits, in form and with companies as are required to be carried by Tenant as set forth in this Lease.

4.2.2.4.2 Special Coverages. Tenant shall carry "Builder's All Risk" insurance in an amount approved by Landlord covering the construction of the Improvements, and such other insurance as Landlord may require, it being understood and agreed that the Improvements shall be insured by Tenant pursuant to this Lease immediately

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upon completion thereof. Such insurance shall be in amounts and shall include such extended coverage endorsements as may be reasonably required by Landlord including, but not limited to, the requirement that all of Tenant's Agents shall carry excess liability and Products and Completed Operation Coverage insurance, each in amounts not less than \$5,000,000 per incident, \$5,000,000 in aggregate, and in form and with companies as are required to be carried by Tenant as set forth in this Lease.

4.2.2.4.3 General Terms. Certificates for all insurance carried pursuant to this Section 4.2.2.4 shall be delivered to Landlord before the commencement of construction of the Improvements and before the Contractor's equipment is moved onto the site. All such policies of insurance must contain a provision that the company writing said policy will give Landlord thirty (30) days prior written notice of any cancellation or lapse of the effective date or any reduction in the amounts of such insurance. In the event that the Improvements are damaged by any cause during the course of the construction thereof, Tenant shall immediately repair the same at Tenant's sole cost and expense. Tenant's Agents shall maintain all of the foregoing insurance coverage in force until the Improvements are fully completed and accepted by Landlord, except for any Products and Completed Operation Coverage insurance required by Landlord, which is to be maintained for ten (10) years following completion of the work and acceptance by Landlord and Tenant. All policies carried under this Section 4.2.2.4 shall insure Landlord and Tenant, as their interests may appear, as well as Contractor and Tenant's Agents. All insurance, except Workers' Compensation, maintained by Tenant's Agents shall preclude subrogation claims by the insurer against anyone insured thereunder. Such insurance shall provide that it is primary insurance as respects the owner and that any other insurance maintained by owner is excess and noncontributing with the insurance required hereunder. The requirements for the foregoing insurance shall not derogate from the provisions for indemnification of Landlord by Tenant under Section 4.2.2.2 of this Work Letter. Landlord may, in its discretion, require Tenant to obtain a lien and completion bond or some alternate form of security satisfactory to Landlord in an amount sufficient to ensure the lien-free completion of the Improvements and naming Landlord as a co-obligee.

4.2.3 Governmental Compliance. The Improvements shall comply in all respects with the following: (i) the Code and other state, federal, city or quasi-governmental laws, codes, ordinances and regulations, as each may apply according to the rulings of the controlling public official, agent or other person; (ii) applicable standards of the American Insurance Association (formerly, the National Board of Fire Underwriters) and the National Electrical Code; and (iii) building material manufacturer's specifications.

4.2.4 Inspection by Landlord. Landlord shall have the right to inspect the Improvements at all times, provided however, that Landlord's failure to inspect the Improvements shall in no event constitute a waiver of any of Landlord's rights hereunder nor shall Landlord's inspection of the Improvements constitute Landlord's approval of the same. Should Landlord disapprove any portion of the Improvements, Landlord shall notify Tenant in writing of such disapproval and shall specify the items disapproved. Any defects or deviations in, and/or disapproval by Landlord of, the Improvements shall be rectified by Tenant at no expense to Landlord, provided however, that in the event Landlord determines that a defect or deviation exists or disapproves of any matter in connection with any portion of the Improvements and such defect, deviation or matter might adversely affect the mechanical, electrical, plumbing, heating, ventilating and air conditioning or life-safety systems of the Building, the structure or exterior appearance of the Building or any other tenant's use of such other tenant's leased premises, Landlord may, take such action as Landlord deems necessary, at Tenant's expense and without incurring any liability on Landlord's part, to correct any such defect, deviation and/or matter, including, without limitation, causing the cessation of performance of the construction of the Improvements until such time as the defect, deviation and/or matter is corrected to Landlord's satisfaction.

4.2.5 Meetings. Commencing upon the execution of this Lease, Tenant shall hold weekly meetings at a reasonable time, with the Architect and the Contractor regarding the progress of the preparation of Construction Drawings and the construction of the Improvements, which meetings shall be held at a location designated by Landlord, and Landlord and/or its agents shall receive prior notice of, and shall have the right to attend, all such meetings, and, upon Landlord's request, certain of Tenant's Agents shall attend such meetings. In addition, minutes shall be taken at all such meetings, a copy of which minutes shall be promptly delivered

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to Landlord. One such meeting each month shall include the review of Contractor's current request for payment.

4.3 Notice of Completion; Copy of Record Set of Plans. Within fifteen (15) days after completion of construction of the Improvements, Tenant shall cause a Notice of Completion to be recorded in the office of the Recorder of the county in which the Building is located in accordance with Section 8182 of the Civil Code of the State of California or any successor statute, and shall furnish a copy thereof to Landlord upon such recordation. If Tenant fails to do so, Landlord may execute and file the same as Tenant's agent for such purpose, at Tenant's sole cost and expense. At the conclusion of construction, (i) Tenant shall cause the Architect and Contractor (A) to update the Approved Working Drawings as necessary to reflect all changes made to the Approved Working Drawings during the course of construction, (B) to certify to the best of their knowledge that the "record-set" of as-built drawings are true and correct, which certification shall survive the expiration or termination of this Lease, and (C) to deliver to Landlord two (2) sets of copies of such record set of drawings within ninety (90) days following issuance of a certificate of occupancy for the Premises, and (ii) Tenant shall deliver to Landlord a copy of all warranties, guaranties, and operating manuals and information relating to the improvements, equipment, and systems in the Premises.

SECTION 5

MISCELLANEOUS

5.1 Tenant's Representative. Tenant has designated Chuck Myers as its sole representative with respect to the matters set forth in this Work Letter (whose e-mail address for the purposes of this Work Letter is cmyers@airgain.com and phone number is (760) 579-0200 extension #204), who shall have full authority and responsibility to act on behalf of the Tenant as required in this Work Letter.

5.2 Landlord's Representative. Landlord has designated Mr. Jake Brehm (whose e-mail address for the purposes of this Work Letter is jbrehm@kilroyrealty.com) as its sole representative with respect to the matters set forth in this Work Letter, who, until further notice to Tenant, shall have full authority and responsibility to act on behalf of the Landlord as required in this Work Letter.

5.3 Time of the Essence in This Work Letter. Unless otherwise indicated, all references herein to a "number of days" shall mean and refer to calendar days. If any item requiring approval is timely disapproved by Landlord, the procedure for preparation of the document and approval thereof shall be repeated until the document is approved by Landlord.

5.4 Tenant's Lease Default. Notwithstanding any provision to the contrary contained in the Lease or this Work Letter, if any default by Tenant under the Lease or this Work Letter (including, without limitation, any failure by Tenant to fund any portion of the Over-Allowance Amount) occurs at any time on or before the substantial completion of the Improvements, then (i) in addition to all other rights and remedies granted to Landlord pursuant to the Lease, Landlord shall have the right to withhold payment of all or any portion of the Improvement Allowance and/or Landlord may, without any liability whatsoever, cause the cessation of construction of the Improvements (in which case, Tenant shall be responsible for any delay in the substantial completion of the Improvements and any costs occasioned thereby), and (ii) all other obligations of Landlord under the terms of the Lease and this Work Letter shall be forgiven until such time as such default is cured pursuant to the terms of the Lease.

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EXHIBIT C

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NOTICE OF LEASE TERM DATES

To: _____

Re: Office Lease dated _____, 20____ (the "**Lease**"), by and between _____, a _____ ("**Landlord**"), and _____, a _____ ("**Tenant**"), for rentable square feet of space commonly known as Suite _____ (the "**Premises**"), located on the _____ (_____) floor of that certain office building located at _____, _____, _____ (the "**Building**").

Dear _____:

Notwithstanding any provision to the contrary contained in the Lease, this letter is to confirm and agree upon the following:

1. Tenant has accepted the above-referenced Premises as being delivered in accordance with the Lease, and there is no deficiency in construction.
2. The Lease Term shall commence on or has commenced on _____ for a term of _____ ending on _____.
3. Rent commenced to accrue on _____, in the amount of _____.
4. If the Lease Commencement Date is other than the first day of the month, the first billing will contain a pro rata adjustment. Each billing thereafter shall be for the full amount of the monthly installment as provided for in the Lease.
5. Your rent checks should be made payable to _____ at _____.
6. The rentable and usable square feet of the Premises are _____ and _____, respectively.
7. Tenant's Share of Direct Expenses with respect to the Premises is _____ % of the Project.
8. Capitalized terms used herein that are defined in the Lease shall have the same meaning when used herein. Tenant confirms that the Lease has not been modified or altered except as set forth herein, and the Lease is in full force and effect. Landlord and Tenant acknowledge and agree that to each party's actual knowledge, neither party is in default or violation of any covenant, provision, obligation, agreement or condition in the Lease.

If the provisions of this letter correctly set forth our understanding, please so acknowledge by signing at the place provided below on the enclosed copy of this letter and returning the same to Landlord.

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“Landlord”:

_____ ,
a _____

By: _____

Its: _____

By: _____

Its: _____

Agreed to and Accepted
as of _____, 20__ .

“Tenant”:

_____ ,
a _____

By: _____

Its: _____

By: _____

Its: _____

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EXHIBIT D

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RULES AND REGULATIONS

Tenant shall faithfully observe and comply with the following Rules and Regulations. Landlord shall not be responsible to Tenant for the nonperformance of any of said Rules and Regulations by or otherwise with respect to the acts or omissions of any other tenants or occupants of the Project. In the event of any conflict between the Rules and Regulations and the other provisions of this Lease, the latter shall control.

1. Tenant shall not alter any lock or install any new or additional locks or bolts on any doors or windows of the Premises without obtaining Landlord's prior written consent. Tenant shall bear the cost of any lock changes or repairs required by Tenant. Two keys will be furnished by Landlord for the Premises, and any additional keys required by Tenant must be obtained from Landlord at a reasonable cost to be established by Landlord. Upon the termination of this Lease, Tenant shall restore to Landlord all keys of stores, offices, and toilet rooms, either furnished to, or otherwise procured by, Tenant and in the event of the loss of keys so furnished, Tenant shall pay to Landlord the cost of replacing same or of changing the lock or locks opened by such lost key if Landlord shall deem it necessary to make such changes.

2. All doors opening to public corridors shall be kept closed at all times except for normal ingress and egress to the Premises.

3. Landlord reserves the right to close and keep locked all entrance and exit doors of the Building during such hours as are customary for comparable buildings in the San Diego, California area. Tenant, its employees and agents must be sure that the doors to the Building are securely closed and locked when leaving the Premises if it is after the normal hours of business for the Building. Any tenant, its employees, agents or any other persons entering or leaving the Building at any time when it is so locked, or any time when it is considered to be after normal business hours for the Building, may be required to sign the Building register. Access to the Building may be refused unless the person seeking access has proper identification or has a previously arranged pass for access to the Building. Landlord will furnish passes to persons for whom Tenant requests same in writing. Tenant shall be responsible for all persons for whom Tenant requests passes and shall be liable to Landlord for all acts of such persons. The Landlord and his agents shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. In case of invasion, mob, riot, public excitement, or other commotion, Landlord reserves the right to prevent access to the Building or the Project during the continuance thereof by any means it deems appropriate for the safety and protection of life and property.

4. No furniture, freight or equipment of any kind shall be brought into the Building without prior notice to Landlord. All moving activity into or out of the Building shall be scheduled with Landlord and done only at such time and in such manner as Landlord designates. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy property brought into the Building and also the times and manner of moving the same in and out of the Building. Safes and other heavy objects shall, if considered necessary by Landlord, stand on supports of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property in any case. Any damage to any part of the Building, its contents, occupants or visitors by moving or maintaining any such safe or other property shall be the sole responsibility and expense of Tenant.

5. No furniture, packages, supplies, equipment or merchandise will be received in the Building or carried up or down in the elevators, except between such hours, in such specific elevator and by such personnel as shall be designated by Landlord.

6. The requirements of Tenant will be attended to only upon application at the management office for the Project or at such office location designated by Landlord. Employees of Landlord shall not perform any work or do anything outside their regular duties unless under special instructions from Landlord.

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7. No sign, advertisement, notice or handbill shall be exhibited, distributed, painted or affixed by Tenant on any part of the Premises or the Building without the prior written consent of the Landlord. Tenant shall not disturb, solicit, peddle, or canvass any occupant of the Project and shall cooperate with Landlord and its agents of Landlord to prevent same.

8. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed, and no foreign substance of any kind whatsoever shall be thrown therein. The expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the tenant who, or whose servants, employees, agents, visitors or licensees shall have caused same.

9. Tenant shall not overload the floor of the Premises, nor mark, drive nails or screws, or drill into the partitions, woodwork or drywall or in any way deface the Premises or any part thereof without Landlord's prior written consent. Tenant shall not purchase spring water, ice, towel, linen, maintenance or other like services from any person or persons not approved by Landlord.

10. Except for vending machines intended for the sole use of Tenant's employees and invitees, no vending machine or machines other than fractional horsepower office machines shall be installed, maintained or operated upon the Premises without the written consent of Landlord.

11. Tenant shall not use or keep in or on the Premises, the Building, or the Project any kerosene, gasoline, explosive material, corrosive material, material capable of emitting toxic fumes, or other inflammable or combustible fluid chemical, substitute or material. Tenant shall provide material safety data sheets for any Hazardous Material used or kept on the Premises.

12. Tenant shall not without the prior written consent of Landlord use any method of heating or air conditioning other than that supplied by Landlord.

13. Tenant shall not use, keep or permit to be used or kept, any foul or noxious gas or substance in or on the Premises, or permit or allow the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Project by reason of noise, odors, or vibrations, or interfere with other tenants or those having business therein, whether by the use of any musical instrument, radio, phonograph, or in any other way. Tenant shall not throw anything out of doors, windows or skylights or down passageways.

14. Tenant shall not bring into or keep within the Project, the Building or the Premises any firearms, animals, birds, aquariums, or, except in areas designated by Landlord, bicycles or other vehicles.

15. No cooking shall be done or permitted on the Premises, nor shall the Premises be used for the storage of merchandise, for lodging or for any improper, objectionable or immoral purposes. Notwithstanding the foregoing, Underwriters' laboratory-approved equipment and microwave ovens may be used in the Premises for heating food and brewing coffee, tea, hot chocolate and similar beverages for employees and visitors, provided that such use is in accordance with all applicable federal, state, county and city laws, codes, ordinances, rules and regulations.

16. The Premises shall not be used for manufacturing or for the storage of merchandise except as such storage may be incidental to the use of the Premises provided for in the Summary. Tenant shall not occupy or permit any portion of the Premises to be occupied as an office for a messenger-type operation or dispatch office, public stenographer or typist, or for the manufacture or sale of liquor, narcotics, or tobacco in any form, or as a medical office, or as a barber or manicure shop, or as an employment bureau without the express prior written consent of Landlord. Tenant shall not engage or pay any employees on the Premises except those actually working for such tenant on the Premises nor advertise for laborers giving an address at the Premises.

17. Landlord reserves the right to exclude or expel from the Project any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of these Rules and Regulations.

18. Tenant, its employees and agents shall not loiter in or on the entrances, corridors, sidewalks, lobbies, courts, halls, stairways, elevators, vestibules or any Common Areas for the

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purpose of smoking tobacco products or for any other purpose, nor in any way obstruct such areas, and shall use them only as a means of ingress and egress for the Premises.

19. Tenant shall not waste electricity, water or air conditioning and agrees to cooperate fully with Landlord to ensure the most effective operation of the Building's heating and air conditioning system, and shall refrain from attempting to adjust any controls. Tenant shall participate in recycling programs undertaken by Landlord.

20. Tenant shall store all its trash and garbage within the interior of the Premises. No material shall be placed in the trash boxes or receptacles if such material is of such nature that it may not be disposed of in the ordinary and customary manner of removing and disposing of trash and garbage in San Diego, California without violation of any law or ordinance governing such disposal. All trash, garbage and refuse disposal shall be made only through entry-ways and elevators provided for such purposes at such times as Landlord shall designate. If the Premises is or becomes infested with vermin as a result of the use or any misuse or neglect of the Premises by Tenant, its agents, servants, employees, contractors, visitors or licensees, Tenant shall forthwith, at Tenant's expense, cause the Premises to be exterminated from time to time to the satisfaction of Landlord and shall employ such licensed exterminators as shall be approved in writing in advance by Landlord.

21. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.

22. Any persons employed by Tenant to do janitorial work shall be subject to the prior written approval of Landlord, and while in the Building and outside of the Premises, shall be subject to and under the control and direction of the Building manager (but not as an agent or servant of such manager or of Landlord), and Tenant shall be responsible for all acts of such persons.

23. No awnings or other projection shall be attached to the outside walls of the Building without the prior written consent of Landlord, and no curtains, blinds, shades or screens shall be attached to or hung in, or used in connection with, any window or door of the Premises other than Landlord standard drapes. All electrical ceiling fixtures hung in the Premises or spaces along the perimeter of the Building must be fluorescent and/or of a quality, type, design and a warm white bulb color approved in advance in writing by Landlord. Neither the interior nor exterior of any windows shall be coated or otherwise sunscreens without the prior written consent of Landlord. Tenant shall be responsible for any damage to the window film on the exterior windows of the Premises and shall promptly repair any such damage at Tenant's sole cost and expense. Tenant shall keep its window coverings closed during any period of the day when the sun is shining directly on the windows of the Premises. Prior to leaving the Premises for the day, Tenant shall draw or lower window coverings and extinguish all lights. Tenant shall abide by Landlord's regulations concerning the opening and closing of window coverings which are attached to the windows in the Premises, if any, which have a view of any interior portion of the Building or Building Common Areas.

24. The sashes, sash doors, skylights, windows, and doors that reflect or admit light and air into the halls, passageways or other public places in the Building shall not be covered or obstructed by Tenant, nor shall any bottles, parcels or other articles be placed on the windowsills.

25. Tenant must comply with requests by the Landlord concerning the informing of their employees of items of importance to the Landlord.

26. Tenant must comply with applicable "**NO-SMOKING**" ordinances and all related, similar or successor ordinances, rules, regulations or codes. If Tenant is required under the ordinance to adopt a written smoking policy, a copy of said policy shall be on file in the office of the Building. In addition, no smoking of any substance shall be permitted within the Project except in specifically designated outdoor areas. Within such designated outdoor areas, all remnants of consumed cigarettes and related paraphernalia shall be deposited in ash trays and/or waste receptacles. No cigarettes shall be extinguished and/or left on the ground or any other surface of the Project. Cigarettes shall be extinguished only in ashtrays. Furthermore, in no event shall Tenant, its employees or agents smoke tobacco products or other substances (x) within any interior areas of the Project, or (y) within two hundred feet (200') of the main

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entrance of the Building or the main entrance of any of the adjacent buildings, or (z) within seventy-five feet (75') of any other entryways into the Building.

27. Tenant hereby acknowledges that Landlord shall have no obligation to provide guard service or other security measures for the benefit of the Premises, the Building or the Project. Tenant hereby assumes all responsibility for the protection of Tenant and its agents, employees, contractors, invitees and guests, and the property thereof, from acts of third parties, including keeping doors locked and other means of entry to the Premises closed, whether or not Landlord, at its option, elects to provide security protection for the Project or any portion thereof. Tenant further assumes the risk that any safety and security devices, services and programs which Landlord elects, in its sole discretion, to provide may not be effective, or may malfunction or be circumvented by an unauthorized third party, and Tenant shall, in addition to its other insurance obligations under this Lease, obtain its own insurance coverage to the extent Tenant desires protection against losses related to such occurrences. Tenant shall cooperate in any reasonable safety or security program developed by Landlord or required by law.

28. All office equipment of any electrical or mechanical nature shall be placed by Tenant in the Premises in settings approved by Landlord, to absorb or prevent any vibration, noise and annoyance.

29. Tenant shall not use in any space or in the public halls of the Building, any hand trucks except those equipped with rubber tires and rubber side guards.

30. No auction, liquidation, fire sale, going-out-of-business or bankruptcy sale shall be conducted in the Premises without the prior written consent of Landlord.

31. No tenant shall use or permit the use of any portion of the Premises for living quarters, sleeping apartments or lodging rooms.

32. Tenant shall not purchase spring water, towels, janitorial or maintenance or other similar services from any company or persons not approved by Landlord. Landlord shall approve a sufficient number of sources of such services to provide Tenant with a reasonable selection, but only in such instances and to such extent as Landlord in its judgment shall consider consistent with the security and proper operation of the Building.

33. Tenant shall install and maintain, at Tenant's sole cost and expense, an adequate, visibly marked and properly operational fire extinguisher next to any duplicating or photocopying machines or similar heat producing equipment, which may or may not contain combustible material, in the Premises.

Landlord reserves the right at any time to change or rescind any one or more of these Rules and Regulations, or to make such other and further reasonable Rules and Regulations as in Landlord's judgment may from time to time be necessary for the management, safety, care and cleanliness of the Premises, Building, the Common Areas and the Project, and for the preservation of good order therein, as well as for the convenience of other occupants and tenants therein. Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular tenants, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other tenant, nor prevent Landlord from thereafter enforcing any such Rules or Regulations against any or all tenants of the Project. Tenant shall be deemed to have read these Rules and Regulations and to have agreed to abide by them as a condition of its occupancy of the Premises.

EXHIBIT D

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KILROY REALTY
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[Airgain, Inc.]

EXHIBIT E

KILROY CENTRE DEL MAR

FORM OF TENANT'S ESTOPPEL CERTIFICATE

The undersigned as Tenant under that certain Office Lease (the "Lease") made and entered into as of _____, 20____ by and between _____ as Landlord, and the undersigned as Tenant, for Premises on the _____ floor(s) of the office building located at _____, California _____, certifies as follows:

1. Attached hereto as Exhibit A is a true and correct copy of the Lease and all amendments and modifications thereto. The documents contained in Exhibit A represent the entire agreement between the parties as to the Premises.

2. The undersigned currently occupies the Premises described in the Lease, the Lease Term commenced on _____, and the Lease Term expires on _____, and the undersigned has no option to terminate or cancel the Lease or to purchase all or any part of the Premises, the Building and/or the Project.

3. Base Rent became payable on _____.

4. The Lease is in full force and effect and has not been modified, supplemented or amended in any way except as provided in Exhibit A.

5. Tenant has not transferred, assigned, or sublet any portion of the Premises nor entered into any license or concession agreements with respect thereto except as follows:

6. Tenant shall not modify the documents contained in Exhibit A without the prior written consent of Landlord's mortgagee.

7. All monthly installments of Base Rent, all Additional Rent and all monthly installments of estimated Additional Rent have been paid when due through _____. The current monthly installment of Base Rent is \$ _____.

8. All conditions of the Lease to be performed by Landlord necessary to the enforceability of the Lease have been satisfied and Landlord, to the best of Tenant's knowledge, is not in default thereunder. In addition, the undersigned has not delivered any notice to Landlord regarding a default by Landlord thereunder.

9. No rental has been paid more than thirty (30) days in advance and no security has been deposited with Landlord except as provided in the Lease.

10. As of the date hereof, to the best of Tenant's knowledge, there are no existing defenses or offsets, or, to the undersigned's knowledge, claims or any basis for a claim, that the undersigned has against Landlord.

11. If Tenant is a corporation or partnership, each individual executing this Estoppel Certificate on behalf of Tenant hereby represents and warrants that Tenant is a duly formed and existing entity qualified to do business in California and that Tenant has full right and authority to execute and deliver this Estoppel Certificate and that each person signing on behalf of Tenant is authorized to do so.

12. There are no actions pending against the undersigned under the bankruptcy or similar laws of the United States or any state.

EXHIBIT E

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KILROY REALTY
KILROY CENTRE DEL MAR
[Airgain, Inc.]

13. Other than in compliance with all applicable laws and incidental to the ordinary course of the use of the Premises, the undersigned has not used or stored any hazardous substances in the Premises.

14. To the undersigned's knowledge, all improvement work to be performed by Landlord under the Lease has been completed in accordance with the Lease and has been accepted by the undersigned and all reimbursements and allowances due to the undersigned under the Lease in connection with any improvement work have been paid in full.

The undersigned acknowledges that this Estoppel Certificate may be delivered to Landlord or to a prospective mortgagee or prospective purchaser, and acknowledges that said prospective mortgagee or prospective purchaser will be relying upon the statements contained herein in making the loan or acquiring the property of which the Premises is a part and that receipt by it of this certificate is a condition of making such loan or acquiring such property.

Executed at _____ on the _____ day of _____, 20____.

"Tenant":

_____,
a

By: _____
Its: _____

By: _____
Its: _____

EXHIBIT E
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KILROY REALTY
KILROY CENTRE DEL MAR
[Airgain, Inc.]

EXHIBIT F

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP
1901 Avenue of the Stars, 18th Floor
Los Angeles, California 90067
Attention: Anton N. Natsis, Esq.

**RECOGNITION OF COVENANTS,
CONDITIONS, AND RESTRICTIONS**

This Recognition of Covenants, Conditions, and Restrictions (this "**Agreement**") is entered into as of the day of , 20 , by and between ("Landlord"), and ("Tenant"), with reference to the following facts:

A. Landlord and Tenant entered into that certain Office Lease dated , 20 (the "**Lease**"). Pursuant to the Lease, Landlord leased to Tenant and Tenant leased from Landlord space (the "**Premises**") located in an office building on certain real property described in **Exhibit A** attached hereto and incorporated herein by this reference (the "**Property**").

B. The Premises is located in an office building located on real property which is part of an area owned by Landlord containing approximately () acres of real property located in the City of , California (the "**Project**"), as more particularly described in **Exhibit B** attached hereto and incorporated herein by this reference.

C. Landlord, as declarant, has previously recorded, or proposes to record concurrently with the recordation of this Agreement, a Declaration of Covenants, Conditions, and Restrictions (the "**Declaration**"), dated , 20 , in connection with the Project.

D. Tenant is agreeing to recognize and be bound by the terms of the Declaration, and the parties hereto desire to set forth their agreements concerning the same.

NOW, THEREFORE, in consideration of (a) the foregoing recitals and the mutual agreements hereinafter set forth, and (b) for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows,

1. Tenant's Recognition of Declaration. Notwithstanding that the Lease has been executed prior to the recordation of the Declaration, Tenant agrees to recognize and be bound by all of the terms and conditions of the Declaration.

2. Miscellaneous.

2.1 This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, estates, personal representatives, successors, and assigns.

2.2 This Agreement is made in, and shall be governed, enforced and construed under the laws of, the State of California.

2.3 This Agreement constitutes the entire understanding and agreements of the parties with respect to the subject matter hereof, and shall supersede and replace all prior understandings and agreements, whether verbal or in writing. The parties confirm and acknowledge that there are no other promises, covenants, understandings, agreements, representations, or warranties with respect to the subject matter of this Agreement except as expressly set forth herein.

2.4 This Agreement is not to be modified, terminated, or amended in any respect, except pursuant to any instrument in writing duly executed by both of the parties hereto.

EXHIBIT F

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KILROY REALTY
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[Airgain, Inc.]

2.5 In the event that either party hereto shall bring any legal action or other proceeding with respect to the breach, interpretation, or enforcement of this Agreement, or with respect to any dispute relating to any transaction covered by this Agreement, the losing party in such action or proceeding shall reimburse the prevailing party therein for all reasonable costs of litigation, including reasonable attorneys' fees, in such amount as may be determined by the court or other tribunal having jurisdiction, including matters on appeal.

2.6 All captions and heading herein are for convenience and ease of reference only, and shall not be used or referred to in any way in connection with the interpretation or enforcement of this Agreement.

2.7 If any provision of this Agreement, as applied to any party or to any circumstance, shall be adjudged by a court of competent jurisdictions to be void or unenforceable for any reason, the same shall not affect any other provision of this Agreement, the application of such provision under circumstances different from those adjudged by the court, or the validity or enforceability of this Agreement as a whole.

2.8 Time is of the essence of this Agreement.

2.9 The Parties agree to execute any further documents, and take any further actions, as may be reasonable and appropriate in order to carry out the purpose and intent of this Agreement.

2.10 As used herein, the masculine, feminine or neuter gender, and the singular and plural numbers, shall each be deemed to include the others whenever and whatever the context so indicates.

EXHIBIT F

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[Airgain, Inc.]

**SIGNATURE PAGE OF RECOGNITION OF
COVENANTS, CONDITIONS AND RESTRICTIONS**

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

“Landlord”:

a _____

By: _____
Its: _____

“Tenant”:

a _____

By: _____
Its: _____

By: _____
Its: _____

EXHIBIT F

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KILROY REALTY
KILROY CENTRE DEL MAR
[Airgain, Inc.]

EXHIBIT G

KILROY CENTRE DEL MAR

FORM OF LETTER OF CREDIT

**(Letterhead of a money center bank
acceptable to the Landlord)**

FAX NO. [() -]
SWIFT: [Insert No., if any]

[Insert Bank Name And Address]

BENEFICIARY:
[Insert Beneficiary Name And Address]

DATE OF ISSUE:

APPLICANT:
[Insert Applicant Name And Address]

EXPIRATION DATE:
AT OUR COUNTERS

LETTER OF CREDIT NO.

AMOUNT AVAILABLE:
USD [Insert Dollar Amount]
(U.S. DOLLARS [Insert Dollar Amount])

LADIES AND GENTLEMEN:

WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. IN YOUR FAVOR FOR THE ACCOUNT OF [Insert Tenant's Name], A [Insert Entity Type], UP TO THE AGGREGATE AMOUNT OF USD [Insert Dollar Amount] ([Insert Dollar Amount] U.S. DOLLARS) EFFECTIVE IMMEDIATELY AND EXPIRING ON (Expiration Date) AVAILABLE BY PAYMENT UPON PRESENTATION OF YOUR DRAFT AT SIGHT DRAWN ON [Insert Bank Name] WHEN ACCOMPANIED BY THE FOLLOWING DOCUMENT(S):

1. THE ORIGINAL OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT AND AMENDMENT(S), IF ANY.

2. BENEFICIARY'S SIGNED STATEMENT PURPORTEDLY SIGNED BY AN AUTHORIZED REPRESENTATIVE OF [Insert Landlord's Name], A [Insert Entity Type] ("LANDLORD") STATING THE FOLLOWING:

"THE UNDERSIGNED HEREBY CERTIFIES THAT THE LANDLORD, EITHER (A) UNDER THE LEASE (DEFINED BELOW), OR (B) AS A RESULT OF THE TERMINATION OF SUCH LEASE, HAS THE RIGHT TO DRAW DOWN THE AMOUNT OF USD IN ACCORDANCE WITH THE TERMS OF THAT CERTAIN OFFICE LEASE DATED [Insert Lease Date], AS MAY HAVE BEEN AMENDED (COLLECTIVELY, THE "LEASE"), OR SUCH AMOUNT CONSTITUTES DAMAGES OWING BY THE TENANT TO BENEFICIARY RESULTING FROM THE BREACH OF SUCH LEASE BY THE TENANT THEREUNDER, OR THE TERMINATION OF SUCH LEASE, AND SUCH AMOUNT REMAINS UNPAID AT THE TIME OF THIS DRAWING."

OR

"THE UNDERSIGNED HEREBY CERTIFIES THAT WE HAVE RECEIVED A WRITTEN NOTICE OF [Insert Bank Name]'S ELECTION NOT TO EXTEND ITS STANDBY LETTER OF CREDIT NO. AND HAVE NOT RECEIVED A REPLACEMENT LETTER OF CREDIT WITHIN AT LEAST SIXTY (60) DAYS PRIOR TO THE PRESENT EXPIRATION DATE."

OR

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“THE UNDERSIGNED HEREBY CERTIFIES THAT BENEFICIARY IS ENTITLED TO DRAW DOWN THE FULL AMOUNT OF LETTER OF CREDIT NO. AS THE RESULT OF THE FILING OF A VOLUNTARY PETITION UNDER THE U.S. BANKRUPTCY CODE OR A STATE BANKRUPTCY CODE BY THE TENANT UNDER THAT CERTAIN OFFICE LEASE DATED [Insert Lease Date], AS MAY HAVE BEEN AMENDED (COLLECTIVELY, THE “LEASE”), WHICH FILING HAS NOT BEEN DISMISSED AT THE TIME OF THIS DRAWING.”

OR

“THE UNDERSIGNED HEREBY CERTIFIES THAT BENEFICIARY IS ENTITLED TO DRAW DOWN THE FULL AMOUNT OF LETTER OF CREDIT NO. AS THE RESULT OF AN INVOLUNTARY PETITION HAVING BEEN FILED UNDER THE U.S. BANKRUPTCY CODE OR A STATE BANKRUPTCY CODE AGAINST THE TENANT UNDER THAT CERTAIN OFFICE LEASE DATED [Insert Lease Date], AS MAY HAVE BEEN AMENDED (COLLECTIVELY, THE “LEASE”), WHICH FILING HAS NOT BEEN DISMISSED AT THE TIME OF THIS DRAWING.”

OR

“THE UNDERSIGNED HEREBY CERTIFIES THAT BENEFICIARY IS ENTITLED TO DRAW DOWN THE FULL AMOUNT OF LETTER OF CREDIT NO. AS THE RESULT OF THE REJECTION, OR DEEMED REJECTION, OF THAT CERTAIN OFFICE LEASE DATED [Insert Lease Date], AS MAY HAVE BEEN AMENDED, UNDER SECTION 365 OF THE U.S. BANKRUPTCY CODE.”

SPECIAL CONDITIONS:

PARTIAL DRAWINGS AND MULTIPLE PRESENTATIONS MAY BE MADE UNDER THIS STANDBY LETTER OF CREDIT, PROVIDED, HOWEVER, THAT EACH SUCH DEMAND THAT IS PAID BY US SHALL REDUCE THE AMOUNT AVAILABLE UNDER THIS STANDBY LETTER OF CREDIT.

ALL INFORMATION REQUIRED WHETHER INDICATED BY BLANKS, BRACKETS OR OTHERWISE, MUST BE COMPLETED AT THE TIME OF DRAWING. [Please Provide The Required Forms For Review, And Attach As Schedules To The Letter Of Credit.]

ALL SIGNATURES MUST BE MANUALLY EXECUTED IN ORIGINALS.

ALL BANKING CHARGES ARE FOR THE APPLICANT’S ACCOUNT.

IT IS A CONDITION OF THIS STANDBY LETTER OF CREDIT THAT IT SHALL BE DEEMED AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR A PERIOD OF ONE YEAR FROM THE PRESENT OR ANY FUTURE EXPIRATION DATE, UNLESS AT LEAST SIXTY (60) DAYS PRIOR TO THE EXPIRATION DATE WE SEND YOU NOTICE BY NATIONALLY RECOGNIZED OVERNIGHT COURIER SERVICE THAT WE ELECT NOT TO EXTEND THIS LETTER OF CREDIT FOR ANY SUCH ADDITIONAL PERIOD. SAID NOTICE WILL BE SENT TO THE ADDRESS INDICATED ABOVE, UNLESS A CHANGE OF ADDRESS IS OTHERWISE NOTIFIED BY YOU TO US IN WRITING BY RECEIPTED MAIL OR COURIER. ANY NOTICE TO US WILL BE DEEMED EFFECTIVE ONLY UPON ACTUAL RECEIPT BY US AT OUR DESIGNATED OFFICE. IN NO EVENT, AND WITHOUT FURTHER NOTICE FROM OURSELVES, SHALL THE EXPIRATION DATE BE EXTENDED BEYOND A FINAL EXPIRATION DATE OF (120 days from the Lease Expiration Date).

THIS LETTER OF CREDIT MAY BE TRANSFERRED SUCCESSIVELY IN WHOLE OR IN PART ONLY UP TO THE THEN AVAILABLE AMOUNT IN FAVOR OF A NOMINATED TRANSFEREE (“TRANSFEREE”), ASSUMING SUCH TRANSFER TO SUCH TRANSFEREE IS IN COMPLIANCE WITH ALL APPLICABLE U.S. LAWS AND REGULATIONS. AT THE TIME OF TRANSFER, THE ORIGINAL LETTER OF CREDIT AND ORIGINAL AMENDMENT(S) IF ANY, MUST BE SURRENDERED TO US

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TOGETHER WITH OUR TRANSFER FORM (AVAILABLE UPON REQUEST) AND PAYMENT OF OUR CUSTOMARY TRANSFER FEES, WHICH FEES SHALL BE PAYABLE BY APPLICANT (PROVIDED THAT BENEFICIARY MAY, BUT SHALL NOT BE OBLIGATED TO, PAY SUCH FEES TO US ON BEHALF OF APPLICANT, AND SEEK REIMBURSEMENT THEREOF FROM APPLICANT). IN CASE OF ANY TRANSFER UNDER THIS LETTER OF CREDIT, THE DRAFT AND ANY REQUIRED STATEMENT MUST BE EXECUTED BY THE TRANSFEREE AND WHERE THE BENEFICIARY'S NAME APPEARS WITHIN THIS STANDBY LETTER OF CREDIT, THE TRANSFEREE'S NAME IS AUTOMATICALLY SUBSTITUTED THEREFOR.

ALL DRAFTS REQUIRED UNDER THIS STANDBY LETTER OF CREDIT MUST BE MARKED: "DRAWN UNDER [Insert Bank Name] STANDBY LETTER OF CREDIT NO. ."

WE HEREBY AGREE WITH YOU THAT IF DRAFTS ARE PRESENTED TO [Insert Bank Name] UNDER THIS LETTER OF CREDIT AT OR PRIOR TO [Insert Time – (e.g., 11:00 AM)], ON A BUSINESS DAY, AND PROVIDED THAT SUCH DRAFTS PRESENTED CONFORM TO THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT, PAYMENT SHALL BE INITIATED BY US IN IMMEDIATELY AVAILABLE FUNDS BY OUR CLOSE OF BUSINESS ON THE SUCCEEDING BUSINESS DAY. IF DRAFTS ARE PRESENTED TO [Insert Bank Name] UNDER THIS LETTER OF CREDIT AFTER [Insert Time – (e.g., 11:00 AM)], ON A BUSINESS DAY, AND PROVIDED THAT SUCH DRAFTS CONFORM WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT, PAYMENT SHALL BE INITIATED BY US IN IMMEDIATELY AVAILABLE FUNDS BY OUR CLOSE OF BUSINESS ON THE SECOND SUCCEEDING BUSINESS DAY. AS USED IN THIS LETTER OF CREDIT, "BUSINESS DAY" SHALL MEAN ANY DAY OTHER THAN A SATURDAY, SUNDAY OR A DAY ON WHICH BANKING INSTITUTIONS IN THE STATE OF CALIFORNIA ARE AUTHORIZED OR REQUIRED BY LAW TO CLOSE. IF THE EXPIRATION DATE FOR THIS LETTER OF CREDIT SHALL EVER FALL ON A DAY WHICH IS NOT A BUSINESS DAY THEN SUCH EXPIRATION DATE SHALL AUTOMATICALLY BE EXTENDED TO THE DATE WHICH IS THE NEXT BUSINESS DAY.

PRESENTATION OF A DRAWING UNDER THIS LETTER OF CREDIT MAY BE MADE ON OR PRIOR TO THE THEN CURRENT EXPIRATION DATE HEREOF BY HAND DELIVERY, COURIER SERVICE, OVERNIGHT MAIL, OR FACSIMILE. PRESENTATION BY FACSIMILE TRANSMISSION SHALL BE BY TRANSMISSION OF THE ABOVE REQUIRED SIGHT DRAFT DRAWN ON US TOGETHER WITH THIS LETTER OF CREDIT TO OUR FACSIMILE NUMBER, [Insert Fax Number – () -], ATTENTION: [Insert Appropriate Recipient], WITH TELEPHONIC CONFIRMATION OF OUR RECEIPT OF SUCH FACSIMILE TRANSMISSION AT OUR TELEPHONE NUMBER [Insert Telephone Number – () -] OR TO SUCH OTHER FACSIMILE OR TELEPHONE NUMBERS, AS TO WHICH YOU HAVE RECEIVED WRITTEN NOTICE FROM US AS BEING THE APPLICABLE SUCH NUMBER. WE AGREE TO NOTIFY YOU IN WRITING, BY NATIONALLY RECOGNIZED OVERNIGHT COURIER SERVICE, OF ANY CHANGE IN SUCH DIRECTION. ANY FACSIMILE PRESENTATION PURSUANT TO THIS PARAGRAPH SHALL ALSO STATE THEREON THAT THE ORIGINAL OF SUCH SIGHT DRAFT AND LETTER OF CREDIT ARE BEING REMITTED, FOR DELIVERY ON THE NEXT BUSINESS DAY, TO [Insert Bank Name] AT THE APPLICABLE ADDRESS FOR PRESENTMENT PURSUANT TO THE PARAGRAPH FOLLOWING THIS ONE.

WE HEREBY ENGAGE WITH YOU THAT ALL DOCUMENT(S) DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS STANDBY LETTER OF CREDIT WILL BE DULY HONORED IF DRAWN AND PRESENTED FOR PAYMENT AT OUR OFFICE LOCATED AT [Insert Bank Name], [Insert Bank Address], ATTN: [Insert Appropriate Recipient], ON OR BEFORE THE EXPIRATION DATE OF THIS CREDIT, (Expiration Date).

IN THE EVENT THAT THE ORIGINAL OF THIS STANDBY LETTER OF CREDIT IS LOST, STOLEN, MUTILATED, OR OTHERWISE DESTROYED, WE HEREBY AGREE TO ISSUE A DUPLICATE ORIGINAL HEREOF UPON RECEIPT OF A WRITTEN REQUEST FROM YOU AND A CERTIFICATION BY YOU (PURPORTEDLY SIGNED BY YOUR

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AUTHORIZED REPRESENTATIVE) OF THE LOSS, THEFT, MUTILATION, OR OTHER DESTRUCTION OF THE ORIGINAL HEREOF.

EXCEPT SO FAR AS OTHERWISE EXPRESSLY STATED HEREIN, THIS STANDBY LETTER OF CREDIT IS SUBJECT TO THE "INTERNATIONAL STANDBY PRACTICES" (ISP 98) INTERNATIONAL CHAMBER OF COMMERCE (PUBLICATION NO. 590).

Very truly yours,

(Name of Issuing Bank)

By: _____

KILROY REALTY
KILROY CENTRE DEL MAR
[Airgain, Inc.]

EXHIBIT H

KILROY CENTRE DEL MAR

MARKET RENT DETERMINATION FACTORS

When determining Market Rent, the following rules and instructions shall be followed.

1. **RELEVANT FACTORS.** The “**Market Rent**,” as used in this Lease, shall be derived from an analysis (as such derivation and analysis are set forth in this **Exhibit H**) of the “Net Equivalent Lease Rates,” of the “Comparable Transactions” (as that term is defined below). The Market Rent, as used in this Lease, shall be equal to the annual rent per rentable square foot, at which tenants, are, pursuant to transactions consummated within twelve (12) months prior to the commencement of the Option Term, provided that timing adjustments shall be made to reflect any changes in the Market Rent following the date of any particular Comparable Transaction up to the date of the commencement of the applicable Option Term, leasing non-sublease, non-encumbered space comparable in location and quality to the Premises containing a square footage comparable to that of the Premises for a term of five (5) years, in an arm’s-length transaction, which comparable space is located in “Comparable Buildings” (transactions satisfying the foregoing criteria shall be known as the “**Comparable Transactions**”). The terms of the Comparable Transactions shall be calculated as a “Net Equivalent Lease Rate” pursuant to the terms of this **Exhibit H**, and shall take into consideration only the following terms and concessions: (i) the rental rate and escalations for the Comparable Transactions, (ii) the amount of parking rent per parking permit paid in the Comparable Transactions, if any, (iii) operating expense and tax protection granted in such Comparable Transactions such as a base year or expense stop (although for each such Comparable Transaction the base rent shall be adjusted to a triple net base rent using reasonable estimates of operating expenses and taxes as determined by Landlord for each such Comparable Transaction); (iv) rental abatement concessions, if any, being granted such tenants in connection with such comparable space, (v) any “Renewal Allowance,” as defined herein below, to be provided by Tenant in connection with the Option Term as compared to the improvements or allowances provided or to be provided in the Comparable Transactions, taking into account the contributory value of the existing improvements in the Premises, such value to be based upon the age, design, quality of finishes, and layout of the existing improvements, and (vi) all other monetary concessions (including the value of any signage), if any, being granted such tenants in connection with such Comparable Transactions. Notwithstanding any contrary provision hereof, in determining the Market Rent, no consideration shall be given to any period of rental abatement, if any, granted to tenants in Comparable Transactions in connection with the design, permitting and construction of improvements, or any commission paid or not paid in connection with such Comparable Transaction. The Market Rent shall include adjustment of the stated size of the Premises based upon the standards of measurement utilized in the Comparable Transactions; provided, however, the size of the Premises shall, notwithstanding the foregoing, be at least equal to the greater of: (i) the square footages set forth in this Lease, and (ii) the square footage of the Premises determined pursuant to the standards of space measurement used in the Comparable Transactions. Notwithstanding any provision to the contrary contained in this **Section 1**, Landlord and Tenant hereby acknowledge and agree that if there are not a sufficient number of Comparable Deals with a Comparable Term to the Option Term to determine the Market Rent for a lease of such duration, then the Market Rent for purposes of Section 1 shall be equal to that of Comparable Deals with a term of up to five (5) years, provided that the concessions shall be appropriately prorated on a fractional basis to account for the shorter term of the lease.

2. **TENANT SECURITY.** The Market Rent shall additionally include a determination as to whether, and if so to what extent, Tenant must provide Landlord with financial security, such as an enhanced security deposit, a letter of credit or guaranty, for Tenant’s Rent obligations during the Option Term. Such determination shall be made by reviewing the extent of financial security then generally being imposed in Comparable Transactions from tenants of comparable financial condition and credit history to the then existing financial condition and credit history of Tenant (with appropriate adjustments to account for differences in the then-existing financial condition of Tenant and such other tenants, and giving reasonable consideration to Tenant’s prior performance history during the Lease Term).

EXHIBIT H

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KILROY REALTY
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3. **RENEWAL IMPROVEMENT ALLOWANCE.** Notwithstanding anything to the contrary set forth in this **Exhibit H**, once the Market Rent for the Option Term is determined as a Net Equivalent Lease Rate, if, in connection with such determination, it is deemed that Tenant is entitled to an improvement or comparable allowance for the improvement of the Premises, (the total dollar value of such allowance shall be referred to herein as the “**Renewal Allowance**”), Landlord shall pay the Renewal Allowance to Tenant pursuant to a commercially reasonable disbursement procedure determined by Landlord and the terms of **Article 8** of this Lease, and, as set forth in **Section 5**, below, of this **Exhibit H**, the rental rate component of the Market Rent shall be increased to be a rental rate which takes into consideration that Tenant will receive payment of such Renewal Allowance and, accordingly, such payment with interest shall be factored into the base rent component of the Market Rent.

4. **COMPARABLE BUILDINGS.** For purposes of this Lease, the term “**Comparable Buildings**” shall mean first-class multi-tenant occupancy office buildings which are comparable to the Building in terms of age (based upon the date of completion of construction or major renovation), quality of construction, level of services and amenities (including, but not limited to, the type (e.g., surface, covered, subterranean) and amount of parking), size and appearance, and are located in the “**Comparable Area**,” which is the “**Del Mar Heights Area**.” The “**Del Mar Heights Area**” shall be the area containing Comparable Buildings which have reasonably comparable freeway access to the Project and which are within an area bounded by Highway 56 on the South side, Del Mar Heights Road on the North side, Carmel Valley Road on the East side, and I-5 on the West side.

5. **METHODOLOGY FOR REVIEWING AND COMPARING THE COMPARABLE TRANSACTIONS.** In order to analyze the Comparable Transactions based on the factors to be considered in calculating Market Rent, and given that the Comparable Transactions may vary in terms of length of term, rental rate, concessions, etc., the following steps shall be taken into consideration to “adjust” the objective data from each of the Comparable Transactions. By taking this approach, a “Net Equivalent Lease Rate” for each of the Comparable Transactions shall be determined using the following steps to adjust the Comparable Transactions, which will allow for an “apples to apples” comparison of the Comparable Transactions.

5.1. The contractual rent payments for each of the Comparable Transactions should be arrayed monthly or annually over the lease term. All Comparable Transactions should be adjusted to simulate a net rent structure, wherein the tenant is responsible for the payment of all property operating expenses in a manner consistent with this Lease. This results in the estimate of Net Equivalent Rent received by each landlord for each Comparable Transaction being expressed as a periodic net rent payment.

5.2 Any free rent or similar inducements received over time should be deducted in the time period in which they occur, resulting in the net cash flow arrayed over the lease term.

5.3 The resultant net cash flow from the lease should be then discounted (using an 8% annual discount rate) to the lease commencement date, resulting in a net present value estimate.

5.4 From the net present value, up front inducements (improvements allowances and other concessions) should be deducted. These items should be deducted directly, on a “dollar for dollar” basis, without discounting since they are typically incurred at lease commencement, while rent (which is discounted) is a future receipt.

5.5 The net present value should then amortized back over the lease term as a level monthly or annual net rent payment using the same annual discount rate of 8.0% used in the present value analysis. This calculation will result in a hypothetical level or even payment over the option period, termed the “Net Equivalent Lease Rate” (or constant equivalent in general financial terms).

6. **USE OF NET EQUIVALENT LEASE RATES FOR COMPARABLE TRANSACTIONS.** The Net Equivalent Lease Rates for the Comparable Transactions shall then be used to reconcile, in a manner usual and customary for a real estate appraisal process, to

EXHIBIT H

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a conclusion of Market Rent which shall be stated as a “NNN” lease rate applicable to each year of the Option Term.

An example of the application of using the process set forth on this Exhibit H to arrive at the Market Rent is attached hereto as Schedule 1.

EXHIBIT H

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KILROY REALTY
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[Airgain, Inc.]

SCHEDULE 1 TO EXHIBIT H

KILROY CENTRE DEL MAR

DETERMINATION OF MARKET RENT – EXAMPLE

As an example of the determination of the Market Rent, assume that there is a 10,000 rentable square foot Comparable Transaction with a five (5) year term, Base Rent of \$75.00 per rentable square foot with One Dollar (\$1) annual increases, an improvement allowance of \$25.00 per rentable square foot, three (3) months of free rent, and Operating Expenses and Tax Expenses of \$12.00 per rentable square foot. Based on the foregoing, the Net Equivalent Lease Rate analysis would be as follows.

1. The contractual rent payments for each of the Comparable Transactions should be arrayed monthly over the lease term. See Column 2 in the attached spreadsheet.
2. From this figure, the initial lease year operating expenses (from gross leases) should be deducted, leaving a net lease rate over the lease term. See Column 3 in the attached spreadsheet.
3. This results in the net rent received by each landlord under the Comparable Transactions being expressly as a monthly net rent payment. See Column 4 in the attached spreadsheet.
4. Any free rent or similar inducements received over time should be deducted in the time period in which they occur, resulting in the net cash flow arrayed over the lease term. See the amounts set forth in months 1, 2 and 3 of Column 2 in the attached spreadsheet.
5. The resultant net cash flow from the lease should be then discounted (using an eight percent (8%) annual discount rate) to the lease commencement date, resulting in a net present value estimate. The net present value of the amounts set forth in Column 4 of the attached spreadsheet is \$2,479,851.66.
6. From the net present value, up-front inducements (improvement allowances and other concessions) should be deducted. These items should be deducted directly, on a “dollar for dollar” basis, without discounting, since they are typically incurred at lease commencement, while rent (which is discounted) is a future receipt. The net present value amount set forth in number 5, above, less the improvement allowance, is \$2,229,851.66.
7. The net present value should then amortized back over the lease term as a level monthly net rent payment using the same annual discount rate of eight percent (8%) used in the present value analysis. This calculation will result in a hypothetical level or even payment over the option period, termed the “Net Equivalent Lease Rate” (or constant equivalent in general financial terms). The net present value amount set forth in number 6, above, amortized back over the term at eight percent (8%) results in a net monthly rent payment of \$45,213.35.
8. The net monthly rent payment set forth in number 7 above must then be converted to a rentable square foot number by dividing the amount by the rentable square footage of the space (*i.e.*, 10,000 rentable square feet). This results in a net monthly rent payment per rentable square foot of \$4.52.
9. The net monthly rent payment per rentable square foot must then be multiplied by the rentable square footage of the Premises (for purposes of this example, assume the rentable square footage of the Premises is rentable square feet), resulting in a net monthly rent payment for the Premises during the applicable Term of Dollars (\$).

SCHEDULE 2 TO EXHIBIT H

KILROY CENTRE DEL MAR

DETERMINATION OF MARKET RENT – EXAMPLE

Premises (RSF)	10,000
Initial Annual Rental Rate per RSF	\$ 75.00
Annual Escalation	\$ 12.00
Abatement (months)	3
Improvement Allowance per rsf	\$ 25.00

<u>Period</u>	<u>Monthly Base Rent</u>	<u>Monthly Operating Expenses</u>	<u>Monthly Net Rent Payment</u>
1	\$ —	\$ 10,000.00	\$ (10,000.00)
2	\$ —	\$ 10,000.00	\$ (10,000.00)
3	\$ —	\$ 10,000.00	\$ (10,000.00)
4	\$62,500.00	\$ 10,000.00	\$ 52,500.00
5	\$62,500.00	\$ 10,000.00	\$ 52,500.00
6	\$62,500.00	\$ 10,000.00	\$ 52,500.00
7	\$62,500.00	\$ 10,000.00	\$ 52,500.00
8	\$62,500.00	\$ 10,000.00	\$ 52,500.00
9	\$62,500.00	\$ 10,000.00	\$ 52,500.00
10	\$62,500.00	\$ 10,000.00	\$ 52,500.00
11	\$62,500.00	\$ 10,000.00	\$ 52,500.00
12	\$62,500.00	\$ 10,000.00	\$ 52,500.00
13	\$63,333.33	\$ 10,000.00	\$ 53,333.33
14	\$63,333.33	\$ 10,000.00	\$ 53,333.33
15	\$63,333.33	\$ 10,000.00	\$ 53,333.33
16	\$63,333.33	\$ 10,000.00	\$ 53,333.33
17	\$63,333.33	\$ 10,000.00	\$ 53,333.33
18	\$63,333.33	\$ 10,000.00	\$ 53,333.33
19	\$63,333.33	\$ 10,000.00	\$ 53,333.33
20	\$63,333.33	\$ 10,000.00	\$ 53,333.33
21	\$63,333.33	\$ 10,000.00	\$ 53,333.33
22	\$63,333.33	\$ 10,000.00	\$ 53,333.33
23	\$63,333.33	\$ 10,000.00	\$ 53,333.33
24	\$63,333.33	\$ 10,000.00	\$ 53,333.33
25	\$64,166.67	\$ 10,000.00	\$ 54,166.67
26	\$64,166.67	\$ 10,000.00	\$ 54,166.67
27	\$64,166.67	\$ 10,000.00	\$ 54,166.67
28	\$64,166.67	\$ 10,000.00	\$ 54,166.67
29	\$64,166.67	\$ 10,000.00	\$ 54,166.67
30	\$64,166.67	\$ 10,000.00	\$ 54,166.67
31	\$64,166.67	\$ 10,000.00	\$ 54,166.67
32	\$64,166.67	\$ 10,000.00	\$ 54,166.67
33	\$64,166.67	\$ 10,000.00	\$ 54,166.67
34	\$64,166.67	\$ 10,000.00	\$ 54,166.67
35	\$64,166.67	\$ 10,000.00	\$ 54,166.67
36	\$64,166.67	\$ 10,000.00	\$ 54,166.67
37	\$65,000.00	\$ 10,000.00	\$ 55,000.00
38	\$65,000.00	\$ 10,000.00	\$ 55,000.00
39	\$65,000.00	\$ 10,000.00	\$ 55,000.00
40	\$65,000.00	\$ 10,000.00	\$ 55,000.00
41	\$65,000.00	\$ 10,000.00	\$ 55,000.00
42	\$65,000.00	\$ 10,000.00	\$ 55,000.00
43	\$65,000.00	\$ 10,000.00	\$ 55,000.00
44	\$65,000.00	\$ 10,000.00	\$ 55,000.00

45	\$65,000.00	\$10,000.00	\$ 55,000.00
46	\$65,000.00	\$10,000.00	\$ 55,000.00
47	\$65,000.00	\$10,000.00	\$ 55,000.00
48	\$65,000.00	\$10,000.00	\$ 55,000.00
49	\$65,833.33	\$10,000.00	\$ 55,833.33
50	\$65,833.33	\$10,000.00	\$ 55,833.33
51	\$65,833.33	\$10,000.00	\$ 55,833.33
52	\$65,833.33	\$10,000.00	\$ 55,833.33
53	\$65,833.33	\$10,000.00	\$ 55,833.33
54	\$65,833.33	\$10,000.00	\$ 55,833.33
55	\$65,833.33	\$10,000.00	\$ 55,833.33
56	\$65,833.33	\$10,000.00	\$ 55,833.33
57	\$65,833.33	\$10,000.00	\$ 55,833.33
58	\$65,833.33	\$10,000.00	\$ 55,833.33
59	\$65,833.33	\$10,000.00	\$ 55,833.33
60	\$65,833.33	\$10,000.00	\$ 55,833.33
Net Present Value @ 8%			\$2,479,851.66
Up-front inducements (Improvements & Other)			\$ 250,000.00
Net Present Value net of inducements			\$2,229,851.66
Monthly Amortization @ 8%			\$ 45,213.35
Net Monthly Rent Payment pre rentable square foot			\$ 4.52
Rentable Square Footage of Premises			_____
Net Monthly Rent Payment for the Premises during the applicable Term			_____

SCHEDULE 2 TO
EXHIBIT H

-6-

KILROY REALTY
KILROY CENTRE DEL MAR
[Airgain, Inc.]

AIRGAIN, INC.

2003 EQUITY INCENTIVE PLAN

Adopted May 16, 2003

Amended by the Board of Directors June 14, 2005, February 1, 2007, April 17, 2008

Amendments Approved by the Shareholders July 11, 2005, February 2, 2007, April 17, 2008

1. GENERAL.

(a) **Purposes.** The purposes of the Plan are as follows:

(i) To provide additional incentive for selected Employees, Directors and Consultants to further the growth, development and financial success of the Company by providing a means by which such persons can personally benefit through the ownership of capital stock of the Company; and

(ii) To enable the Company to secure and retain key Employees, Directors and Consultants considered important to the long-range success of the Company by offering such persons an opportunity to own capital stock of the Company.

(b) **Eligible Stock Award Recipients.** The persons eligible to receive Stock Awards are the Employees, Directors and Consultants of the Company and its Affiliates.

(c) **Available Stock Awards.** The following Stock Awards are available under the Plan: (i) Incentive Stock Options, (ii) Nonstatutory Stock Options, (iii) stock bonuses and (iv) rights to acquire restricted stock.

2. DEFINITIONS.

(a) **"Affiliate"** means any parent corporation or subsidiary corporation, whether now or hereafter existing, as those terms are defined in Sections 424(e) and (f), respectively, of the Code.

(b) **"Award Shares"** means the shares of Common Stock of the Company issued or issuable pursuant to a Stock Award, including Option Shares issued or issuable pursuant to an Option.

(c) **"Board"** means the Board of Directors of the Company.

(d) **"Cause"** means, as reasonably determined by the Board in each case, a Participant's personal dishonesty, misconduct, breach of fiduciary duty, incompetence, intentional failure to perform stated obligations, willful violation of any law, rule, regulation or final cease and desist order, or any material breach of any provision of the Plan, any Option Agreement, any employment or consulting agreement, or any proprietary information agreement.

(e) **"Code"** means the Internal Revenue Code of 1986, as amended.

(f) “**Committee**” means a committee appointed by the Board in accordance with Section 3(c).

(g) “**Common Stock**” means the common stock, without par value, of the Company; provided, however, that if the Company’s articles of incorporation authorize the issuance of only one class of stock, “Common Stock” shall mean such class of stock.

(h) “**Company**” means Airgain, Inc. (formerly, AM Group Corporation), a California corporation.

(i) “**Consultant**” means any natural person, including an advisor, engaged by the Company or an Affiliate to render bona fide services and who is providing such services at the time a Stock Award is granted; provided that the term “Consultant” shall not include a person who provides services in connection with the offer and sale of securities in a capital-raising transaction or in connection with promoting or maintaining a market for the Company’s securities.

(j) “**Director**” means a member of the Board.

(k) “**Disability**” means total and permanent disability as defined in Section 22(e)(3) of the Code and as interpreted by the Board in each case.

(l) “**Employee**” means any person, including officers and Directors, employed by the Company or any Affiliate of the Company; provided, however, that neither service as a Director nor payment of a director’s fee by the Company shall be sufficient to constitute “employment” by the Company.

(m) “**Fair Market Value**” means, as of any date, the value of the Common Stock of the Company determined as follows:

(i) If the Common Stock is listed on any established stock exchange, or is traded on the Nasdaq National Market or the Nasdaq SmallCap Market, or any successor thereto, the Fair Market Value of a share of Common Stock shall be the closing sales price for such stock (or the closing bid, if no sales were reported) as quoted on such system or exchange (or the exchange with the greatest volume of trading in common stock) on the last market trading day prior to the date of determination, as reported in the Wall Street Journal or such other source as the Board deems reliable;

(ii) If the Common Stock is quoted on the National Market System of the National Association of Securities Dealers, Inc. Automated Quotation System (but not on the National Market or SmallCap Market thereof) or is regularly quoted by a recognized securities dealer but selling prices are not reported, the Fair Market Value of a share of Common Stock shall be the mean between the high bid and high asked prices for the Common Stock on the last market trading day prior to the date of determination, as reported in the Wall Street Journal or such other source as the Board deems reliable; or

(iii) In the absence of an established market for the Common Stock, the Fair Market Value shall be determined in good faith by the Board.

(n) "**Incentive Stock Option**" means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code and the regulations promulgated thereunder.

(o) "**Nonstatutory Stock Option**" means an Option not intended to qualify as an Incentive Stock Option.

(p) "**Option**" means a stock option granted pursuant to the Plan.

(q) "**Option Agreement**" means a written agreement between the Company and an Optionee evidencing the terms and conditions of an individual Option grant. Each Option Agreement shall be subject to the terms and conditions of the Plan and any rules and regulations adopted by the Board and incorporated therein.

(r) "**Optionee**" means the Participant to whom an Option is granted or, if applicable, such other person who holds an outstanding Option.

(s) "**Option Shares**" means the shares of Common Stock of the Company issued or issuable pursuant to the exercise of an Option.

(t) "**Participant**" means an Optionee or any other person to whom a Stock Award is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Stock Award.

(u) "**Plan**" means this 2003 Equity Incentive Plan.

(v) "**Securities Act**" means the Securities Act of 1933, as amended.

(w) "**Stock Award**" means any right granted under the Plan, including an Option, a stock bonus and a right to acquire restricted stock.

(x) "**Stock Award Agreement**" means a written agreement, including an Option Agreement, between the Company and a holder of a Stock Award evidencing the terms and conditions of an individual Stock Award grant. Each Stock Award Agreement shall be subject to the terms and conditions of the Plan and any additional rules and regulations adopted by the Board and incorporated therein.

(y) "**Ten Percent Shareholder**" means a person who owns (or is deemed to own pursuant to Section 424(d) of the Code) stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or of any of its Affiliates.

(z) "**Termination of Service**" means:

(i) With respect to Stock Awards granted to a Participant in his or her capacity as an Employee, the time when the employer-employee relationship between the

Participant and the Company (or an Affiliate) is terminated for any reason, including without limitation a termination by resignation, discharge, death or retirement. The Board, in its sole discretion, may determine whether a Termination of Service has occurred in the case of any leave of absence approved by the Board, including sick leave, personal leave and military leave; provided, however, that any such leave for purposes of an Incentive Stock Option shall not exceed ninety (90) days unless (A) the Board determines to extend such period upon the acknowledgment of the Participant that such an Option would become a Nonstatutory Stock Option, or (B) re-employment upon the expiration of such leave is guaranteed by contract (including by Company policy) or statute;

(ii) With respect to Stock Awards granted to a Participant in his or her capacity as a Director, the time when the Participant ceases to be a Director for any reason, including without limitation a cessation by resignation, removal, failure to be reelected, death or retirement, but excluding cessations where there is a simultaneous or continuing employment of the former Director by the Company (or an Affiliate) and the Board expressly deems such cessation not to be a Termination of Service; and

(iii) With respect to Stock Awards granted to a Participant in his or her capacity as a Consultant, the time when the contractual relationship between the Participant and the Company (or an Affiliate) is terminated for any reason.

The Board, in its absolute discretion, shall determine the effect of all other matters and questions relating to a Termination of Service.

3. ADMINISTRATION.

(a) The Plan shall be administered by the Board unless and until the Board delegates administration to a Committee, as provided in Section 3(c) below.

(b) The Board shall have the power, except as otherwise provided in the Plan:

(i) To determine from time to time (A) which of the persons eligible under the Plan shall be granted Stock Awards, (B) when and how the Stock Awards shall be granted, (C) what type or combination of types of Stock Awards will be granted, (D) the provisions of each Stock Award granted (which need not be identical), including the time or times such Stock Award may vest in whole or in part, and (E) the number of shares of Common Stock for which a Stock Award shall be granted to each such person.

(ii) To construe and interpret the Plan and Stock Awards granted under it, and to establish, amend and revoke rules and regulations for the Plan's administration. The Board, in the exercise of its power, may correct any defect, omission or inconsistency in the Plan or in any Stock Award Agreement in a manner and to the extent it shall deem necessary or expedient to make the Plan fully effective.

(iii) To amend the Plan as provided in Section 15.

(iv) To place such restrictions on the sale or other disposition of Award Shares as may be deemed appropriate by the Board.

(v) Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best interests of the Company.

(c) The Board may delegate administration of the Plan to a committee of the Board composed of not fewer than two (2) members (the "Committee"). If administration is delegated to a Committee, the Committee shall have, in connection with the administration of the Plan, the powers theretofore possessed by the Board (and references in the Plan to the Board shall thereafter be deemed to be references to the Committee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. The Board may abolish the Committee at any time and revert in the Board the administration of the Plan.

4. SHARES SUBJECT TO THE PLAN.

Subject to the provisions of Section 10 relating to adjustments upon changes in stock, the Award Shares that may be issued pursuant to Stock Awards shall not exceed in the aggregate six million (6,000,000) shares of the Company's Common Stock. If any Stock Award shall for any reason expire or otherwise terminate without having been exercised in full, the Award Shares not issued pursuant to such Stock Award shall again become available for grant under the Plan.

5. ELIGIBILITY.

(a) **General.** Incentive Stock Options may be granted only to Employees; all other Stock Awards may be granted only to Employees, Directors and Consultants. In the event a Participant is both an Employee and a Director, or a Participant is both a Director and a Consultant, the Stock Award Agreement shall specify the capacity in which the Participant is granted the Stock Award; provided, however, if the Stock Award Agreement is silent as to such capacity, the Stock Award shall be deemed to be granted to the Participant as an Employee or as a Consultant, as applicable.

(b) Ten Percent Shareholders.

(i) A Ten Percent Shareholder shall not be granted an Incentive Stock Option unless the exercise price of such Option is at least one hundred ten percent (110%) of the Fair Market Value of the Common Stock at the date of grant and the Option is not exercisable after the expiration of five (5) years from the date of grant.

(ii) A Ten Percent Shareholder shall not be granted a restricted stock award unless the purchase price of the restricted stock is at least (i) one hundred percent (100%) of the Fair Market Value of the Common Stock at the date of grant or (ii) such lower percentage of the Fair Market Value of the Common Stock at the date of grant as is permitted by Section 260.140.42 of Title 10 of the California Code of Regulations at the time of the grant of the restricted stock award.

6. **OPTION AGREEMENT PROVISIONS.**

Each Option shall be granted pursuant to a written Option Agreement, signed by an officer of the Company and by the Optionee, which shall be in such form and shall contain such terms and conditions as the Board shall deem appropriate. The provisions of separate Option Agreements need not be identical, but each Option Agreement shall include (through incorporation of the provisions hereof by reference in the Option Agreement or otherwise) the substance of each of the following provisions:

(a) **Term.** No Option shall be exercisable after the expiration of ten (10) years from the date it was granted.

(b) **Price.** Subject to Section 5(b) regarding Ten Percent Shareholders, the exercise price of each Option shall be set forth in the applicable Option Agreement; provided, however, that the exercise price of each Incentive Stock Option shall be not less than one hundred percent (100%) of the Fair Market Value of the Common Stock subject to the Option on the date such Option is granted.

(c) **Consideration.** The purchase price of Common Stock acquired pursuant to an Option shall be paid, to the extent permitted by applicable statutes and regulations, either (i) in cash at the time the Option is exercised or (ii) at the discretion of the Board at the time of the grant of the Option (or subsequently in the case of a Nonstatutory Stock Option) (1) by delivery to the Company of other Common Stock, (2) according to a deferred payment or other similar arrangement with the Optionholder or (3) in any other form of legal consideration that may be acceptable to the Board. Unless otherwise specifically provided in the Option Agreement, the purchase price of Common Stock acquired pursuant to an Option that is paid by delivery to the Company of other Common Stock acquired, directly or indirectly from the Company, shall be paid only by shares of the Common Stock of the Company that have been held for more than six (6) months (or such longer or shorter period of time required to avoid a charge to earnings for financial accounting purposes). At any time that the Company is incorporated in Delaware, payment of the Common Stock's "par value," as defined in the Delaware General Corporation Law, shall not be made by deferred payment. In the case of any deferred payment arrangement, interest shall be compounded at least annually and shall be charged at the market rate of interest necessary to avoid a charge to earnings for financial accounting purposes.

(d) **Transferability.** An Incentive Stock Option shall not be transferable except by will or by the laws of descent and distribution, and shall be exercisable during the Optionee's lifetime only by the Optionee. A Nonstatutory Stock Option shall not be transferable except by will, by the laws of descent and distribution, or as otherwise permitted by Rule 701 adopted under the Securities Act.

(e) **Vesting.** The total number of Option Shares subject to an Option may, but need not, be allotted in periodic installments (which may, but need not, be equal). The Option Agreement may provide that, from time to time during each of such installment periods, the Option may become exercisable ("vest") with respect to some or all of the Option Shares allotted to any period, and may be exercised with respect to some or all of the Option Shares allotted to such period and/or any prior period as to which the Option became vested but was not fully

exercised. During the remainder of the term of the Option (if its term extends beyond the end of the installment periods), the Option may be exercised from time to time with respect to any Option Shares then remaining subject to the Option.

(f) **Securities Law Compliance.** The Company may require any Optionee, or any person to whom an Option is transferred under Section 6(d), as a condition of exercising any such Option, (i) to give written assurances satisfactory to the Company as to the Optionee's knowledge and experience in financial and business matters and/or to employ a purchaser representative reasonably satisfactory to the Company who is knowledgeable and experienced in financial and business matters, and that he or she is capable of evaluating, alone or together with the purchaser representative, the merits and risks of exercising the Option, and (ii) to give written assurances satisfactory to the Company stating that such person is acquiring the Option Shares subject to the Option for such person's own account and not with any present intention of selling or otherwise distributing the Option Shares. These requirements, and any assurances given pursuant to such requirements, shall be inoperative if the issuance of the Option Shares upon the exercise of the Option has been registered under a then currently effective registration statement under the Securities Act or, as to any particular requirement, a determination is made by counsel for the Company that such requirement need not be met in the circumstances under the then applicable securities laws.

(g) **Termination of Service.** In the event of the Termination of Service of an Optionee for any reason (other than for Cause or upon the Optionee's death or Disability), the Optionee may exercise his or her Option, but only within such period of time as is set forth in the Option Agreement, and only to the extent that the Optionee was entitled to exercise the Option at the date of such termination (but in no event later than the expiration of the term of such Option as set forth in the Option Agreement). In the case of an Incentive Stock Option, such exercise period provided in the Option Agreement shall not exceed ninety (90) days from the date of termination. In the event of the Termination of Service of an Optionee for Cause, except as otherwise determined by the Board in the specific situation, all Options granted to such Optionee shall expire as of the date of the occurrence giving rise to such termination or upon the date such options expire by their terms, whichever is earlier, and such Optionee shall have no rights with respect to any unexercised Options. If, at the date of a Termination of Service, the Optionee is not entitled to exercise his or her entire Option, the Option Shares covered by the unexercisable portion of the Option shall revert to the Plan. If, after a Termination of Service, the Optionee does not exercise his or her Option within the period specified in the Option Agreement, the Option shall terminate, and the Option Shares covered by such Option shall revert to the Plan.

(h) **Disability of Optionee.** In the event of a Termination of Service of an Optionee as a result of the Optionee's Disability, the Optionee may exercise his or her Option within the period specified in the Option Agreement (in no event to exceed twelve (12) months from the date of such termination in the case of an Incentive Stock Option), and only to the extent that the Optionee was entitled to exercise the Option at the date of such termination (but in no event later than the expiration of the term of such Option as set forth in the Option Agreement). If, at the date of a Termination of Service, the Optionee is not entitled to exercise his or her entire Option, the Option Shares covered by the unexercisable portion of the Option shall revert to the Plan. If, after a Termination of Service, the Optionee does not exercise his or her Option within the period

specified in the Option Agreement, the Option shall terminate, and the Option Shares covered by such Option shall revert to the Plan.

(i) **Death of Optionee.** In the event of the death of an Optionee, the Option may be exercised within the period specified in the Option Agreement by the Optionee's estate or by a person who acquired the right to exercise the Option by bequest or inheritance, but only to the extent the Optionee was entitled to exercise the Option at the date of death. If, at the time of death, the Optionee was not entitled to exercise his or her entire Option, the Option Shares covered by the unexercisable portion of the Option shall revert to the Plan. If, after death, the Optionee's estate or a person who acquired the right to exercise the Option by bequest or inheritance does not exercise the Option within the time specified in the Option Agreement, the Option shall terminate, and the Option Shares covered by such Option shall revert to the Plan.

(j) **Early Exercise.** The Option may, but need not, include a provision whereby the Optionee may elect at any time prior to a Termination of Service to exercise the Option as to any part or all of the Option Shares prior to the full vesting of the Option. Any unvested Option Shares so purchased may be subject to an unvested share repurchase option in favor of the Company or to any other restriction the Board determines to be appropriate.

7. **PROVISIONS OF STOCK AWARDS OTHER THAN OPTIONS.**

(a) **Stock Bonus Awards.** Each stock bonus agreement shall be in such form and shall contain such terms and conditions as the Board shall deem appropriate. The terms and conditions of stock bonus agreements may change from time to time, and the terms and conditions of separate stock bonus agreements need not be identical, but each stock bonus agreement shall include (through incorporation of provisions hereof by reference in the agreement or otherwise) the substance of each of the following provisions:

(i) **Consideration.** A stock bonus may be awarded in consideration for past services actually rendered to the Company or an Affiliate for its benefit.

(ii) **Vesting.** Award Shares issued pursuant to a stock bonus agreement may, but need not, be subject to a share repurchase option in favor of the Company in accordance with a vesting schedule to be determined by the Board.

(iii) **Termination of Service.** In the event of a Termination of Service, the Company may reacquire any or all of the Award Shares held by the Participant which have not vested as of the date of termination under the terms of the stock bonus agreement.

(iv) **Transferability.** Rights to acquire Award Shares under the stock bonus agreement shall not be transferable except by will or by the laws of descent and distribution and shall be exercisable during the lifetime of the Participant only by the Participant.

(b) **Restricted Stock Purchase Awards.** Each restricted stock purchase agreement shall be in such form and shall contain such terms and conditions as the Board shall deem appropriate. The terms and conditions of the restricted stock purchase agreements may change from time to time, and the terms and conditions of separate restricted stock purchase agreements

need not be identical, but each restricted stock purchase agreement shall include (through incorporation of provisions hereof by reference in the agreement or otherwise) the substance of each of the following provisions:

(i) **Purchase Price.** Subject to the provisions of Section 5(b) regarding Ten Percent Shareholders, the purchase price under each restricted stock purchase agreement shall be such amount as the Board shall determine and designate in such restricted stock purchase agreement. The purchase price for such restricted stock awards shall not be less than eighty-five percent (85%) of the Common Stock's Fair Market Value on the date such award is made or at the time the purchase is consummated.

(ii) **Consideration.** The purchase price of Common Stock acquired pursuant to the restricted stock purchase agreement shall be paid either: (i) in cash at the time of purchase; (ii) at the discretion of the Board, according to a deferred payment or other similar arrangement with the Participant; or (iii) in any other form of legal consideration that may be acceptable to the Board in its discretion; provided, however, that at any time that the Company is incorporated in Delaware, then payment of the Common Stock's "par value," as defined in the Delaware General Corporation Law, shall not be made by deferred payment.

(iii) **Vesting.** Award Shares acquired under the restricted stock purchase agreement may, but need not, be subject to a share repurchase option in favor of the Company in accordance with a vesting schedule to be determined by the Board.

(iv) **Termination of Service.** In the event of a Participant's Termination of Service, the Company may repurchase or otherwise reacquire any or all of the Award Shares held by the Participant which have not vested as of the date of termination under the terms of the restricted stock purchase agreement.

(v) **Transferability.** Rights to acquire Award Shares under the restricted stock purchase agreement shall not be transferable except by will or by the laws of descent and distribution and shall be exercisable during the lifetime of the Participant only by the Participant.

8. COVENANTS OF THE COMPANY.

(a) During the terms of the Stock Awards, the Company shall keep available at all times the number of shares of Common Stock required to satisfy such Stock Awards.

(b) The Company shall seek to obtain from each regulatory commission or agency having jurisdiction over the Plan such authority as may be required to grant Stock Awards and to issue and sell Award Shares upon exercise of the Stock Awards; provided, however, that this undertaking shall not require the Company to register under the Securities Act either the Plan, any Stock Awards or any Award Shares. If, after reasonable efforts or without unreasonable expense, the Company is unable to obtain from any such regulatory commission or agency the authority which counsel for the Company deems necessary for the lawful issuance and sale of Award Shares under the Plan, the Company shall be relieved from any liability for failure to issue and sell Award Shares upon exercise of such Stock Awards unless and until such authority is obtained.

9. USE OF PROCEEDS.

Proceeds from the sale of Award Shares shall be used for general operating capital of the Company.

10. ADJUSTMENTS UPON CHANGES IN COMMON STOCK.

(a) If any change is made in the Common Stock subject to the Plan or subject to any Stock Award without the receipt of consideration by the Company (through merger, consolidation, reorganization, recapitalization, stock dividend, dividend in property other than cash, stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or otherwise), the Plan and all outstanding Stock Awards will be appropriately adjusted in the class and maximum number of shares subject to the Plan and the class and number of shares and price per share of Common Stock subject to outstanding Stock Awards. Such adjustment shall be made by the Board, the determination of which shall be final, binding and conclusive.

(b) In the event of a merger or consolidation in which the Company is not the surviving corporation, then any surviving corporation or acquiring corporation shall assume any Options outstanding under the Plan or shall substitute similar stock options (including an option to acquire the same consideration paid to the shareholders in the transaction described in this subsection 10(b)) for those outstanding under the Plan. In the event any surviving corporation or acquiring corporation refuses to assume such Options or to substitute similar stock options for those outstanding under the Plan, then the Options shall terminate if not exercised (to the extent then vested and exercisable) at or prior to such event.

(c) In the event of a reverse merger in which the Company is the surviving corporation but the shares of Common Stock outstanding immediately preceding the merger are converted by virtue of the merger into other property, whether in the form of securities, cash or otherwise, then any acquiring corporation (or a corporation which directly or indirectly controls such an acquiring corporation) shall assume any Options outstanding under the Plan or shall substitute similar options (including an option to acquire the same consideration paid to the shareholders in the transaction described in this subsection 10(c)) for those outstanding under the Plan. In the event any acquiring corporation or corporation controlling such an acquiring corporation refuses to assume such Options or to substitute similar Options for those outstanding under the Plan, then the Options shall terminate if not exercised (to the extent then vested and exercisable) at or prior to such event.

11. ACCELERATION OF EXERCISABILITY AND VESTING.

The Board shall have the power to accelerate the time at which any or all Stock Awards may first be exercised or the time during which any or all Stock Awards or any part thereof will vest in accordance with the Plan, notwithstanding the provisions in any Stock Award stating the time at which it may first be exercised or the time during which it will vest. By approval of the Plan, the Company's shareholders consent to any such accelerations in the Board's sole discretion.

12. DISSOLUTION OR LIQUIDATION

In the event of a dissolution or liquidation of the Company, then all outstanding Stock Awards shall terminate immediately prior to such event.

13. FINANCIAL INFORMATION.

The Company shall provide to each Participant on an annual basis a copy of the annual financial report prepared by the Company's independent certified public accountants, or such other periodic financial report which conforms with Section 260.140.46 of Title 10 of the California Code of Regulations.

14. MISCELLANEOUS.

(a) Neither a Participant nor any person to whom a Stock Award is transferred shall be deemed to be the holder of, or to have any of the rights of a holder with respect to, any Award Shares unless and until such person has satisfied all requirements for exercise of the Stock Award pursuant to its terms and the Company has duly issued a stock certificate for such Award Shares.

(b) Nothing in the Plan or any instrument executed or Stock Award granted pursuant thereto shall confer upon any Participant any right to continue in the employ of the Company or any Affiliate (or to continue acting as a Consultant) or shall restrict the right of the Company or any Affiliate to terminate the employment or consulting relationship of any Participant with or without cause.

(c) To the extent that the aggregate Fair Market Value (determined at the time of grant) of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by any Optionee during any calendar year under all plans of the Company and its Affiliates exceeds One Hundred Thousand Dollars (\$100,000), the Options or portions thereof which exceed such limit (according to the order in which they were granted) shall be treated as Nonstatutory Stock Options.

(d) The Company and the members of the Board shall be relieved from any liability for the non-issuance or non-transfer, or any delay of issuance or transfer, of any Award Shares which results from the inability of the Company to comply with, or to obtain, or from any delay in obtaining from any regulatory body having jurisdiction, all requisite authority to issue or transfer Award Shares if counsel for the Company deems such authority reasonably necessary for lawful issuance or transfer of any such shares. Appropriate legends may be placed on the stock certificates evidencing Award Shares to reflect such transfer restrictions.

15. AMENDMENT OF THE PLAN.

(a) The Board at any time, and from time to time, may amend the Plan. However, no amendment shall be effective unless approved by the shareholders of the Company within twelve (12) months before or after the adoption of the amendment where the amendment will:

(i) Increase the number of shares reserved for Stock Awards under the Plan, except as provided in Section 10 relating to adjustments upon changes in Common Stock;

(ii) Modify the requirements as to eligibility for participation in the Plan (to the extent such modification requires shareholder approval in order for the Plan to satisfy the requirements of Section 422 of the Code); or

(iii) Modify the Plan in any other way if such modification requires shareholder approval in order for the Plan to satisfy the requirements of Section 422 of the Code.

(b) It is expressly contemplated that the Board may amend the Plan in any respect the Board deems necessary or advisable to provide Participants with the maximum benefits provided or to be provided under the provisions of the Code and the regulations promulgated thereunder relating to Incentive Stock Options and/or to bring the Plan and/or Incentive Stock Options granted under the Plan into compliance therewith.

(c) The rights and obligations under any Stock Award granted before any amendment of the Plan shall not be altered or impaired by such amendment unless the Company requests the consent of the person to whom the Stock Award was granted and such person consents in writing.

16. TERMINATION OR SUSPENSION OF THE PLAN.

(a) The Board may suspend or terminate the Plan at any time. Unless sooner terminated, the Plan shall terminate on December 31, 2012 (which shall be within ten (10) years from the date the Plan is adopted by the Board or approved by the shareholders of the Company, whichever is earlier.) No Stock Awards may be granted under the Plan while the Plan is suspended or after it is terminated.

(b) Rights and obligations under any Stock Award granted while the Plan is in effect shall not be altered or impaired by suspension or termination of the Plan, except with the consent of the person to whom the Stock Award was granted.

17. EFFECTIVE DATE OF PLAN.

The Plan shall become effective on May 16, 2003, which is the date that the Plan was adopted by the Board, provided that the shareholders of the Company approve or have approved the Plan within twelve (12) months of such date. No Options granted under the Plan shall be exercised unless and until the Plan has been approved by the shareholders of the Company, and all Stock Awards granted under the Plan shall be rescinded if shareholder approval of the Plan is not obtained within such 12-month period.

AIRGAIN, INC.
STOCK OPTION AGREEMENT

FOR GOOD AND VALUABLE CONSIDERATION, Airgain, Inc., a California corporation, hereby irrevocably grants to the Optionee named below a stock option (the "Option") to purchase any part or all of the specified number of shares of its Common Stock upon the terms and subject to the conditions set forth in this Option Agreement, at the specified purchase price per share without commission or other charge. The Option is granted pursuant to the 2003 Equity Incentive Plan of Airgain, Inc. (the "Plan") and the Standard Terms and Conditions for Stock Options (the "Terms and Conditions") promulgated under the Plan and in effect as of the date of this Option Agreement. The terms of the Plan and the Terms and Conditions are hereby incorporated herein by reference and made a part of this Option Agreement.

Name of Optionee:

Social Security Number:

Type of Option: [Incentive] or [Nonstatutory] Stock Option

Number of Shares covered by Option (the "Option Shares")

Purchase Price Per Option Share: \$

[Early Exercise Permitted?] [Yes] [No]

The Option shall become exercisable as follows:

[FOR STANDARD VESTING:] Option Shares [generally 25% of the Option Shares] shall become subject to purchase ("vest") on , 200 . Thereafter, the Option Shares shall vest on the day of each calendar month at the rate of Option Shares per month, commencing with , 200 and continuing until all Option Shares are vested. Once subject to purchase, the Option Shares shall remain subject to purchase until [not later than [10] years from the date of grant] (the "Expiration Date") unless the Option is earlier terminated in accordance with the Plan and the Terms and Conditions.

Date of this Option Agreement: , 200 [date of grant]

AIRGAIN, INC.

Optionee's Signature

By: _____
Name: _____
Title: _____

Residence Address: _____

AIRGAIN, INC.

**2013 EQUITY INCENTIVE PLAN
(as amended through May 24, 2016)****1. Purpose.**

The purpose of the Plan is to advance the interests of the Company's shareholders by enhancing the Company's ability to attract, retain and motivate persons who make (or are expected to make) important contributions to the Company by providing such persons with equity ownership opportunities and thereby better aligning the interests of such persons with those of the Company's shareholders. Capitalized terms used in the Plan are defined in Section 11 below.

2. Eligibility.

Service Providers are eligible to be granted Awards under the Plan, subject to the limitations described herein.

3. Administration and Delegation.

(a) *Administration.* The Plan will be administered by the Administrator. The Administrator shall have authority to determine which Service Providers will receive Awards, to grant Awards and to set all terms and conditions of Awards (including, but not limited to, vesting, exercise and forfeiture provisions). In addition, the Administrator shall have the authority to take all actions and make all determinations contemplated by the Plan and to adopt, amend and repeal such administrative rules, guidelines and practices relating to the Plan as it shall deem advisable. The Administrator may correct any defect or ambiguity, supply any omission or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem necessary or appropriate to carry the Plan and any Awards into effect, as determined by the Administrator. The Administrator shall make all determinations under the Plan in the Administrator's sole discretion and all such determinations shall be final and binding on all persons having or claiming any interest in the Plan or in any Award.

(b) *Appointment of Committees.* To the extent permitted by Applicable Laws, the Board may delegate any or all of its powers under the Plan to one or more Committees. The Board may abolish any Committee at any time and re-vest in itself any previously delegated authority.

4. Stock Available for Awards.

(a) *Number of Shares.* Subject to adjustment under Section 8 hereof, Awards may be made under the Plan covering up to 17,000,000 shares of Common Stock. If any Award expires or lapses or is terminated, surrendered or canceled without having been fully exercised or is forfeited in whole or in part (including as the result of shares of Common Stock subject to such Award being repurchased by the Company at or below the original issuance price), in any case in a manner that results in any shares of Common Stock covered by such Award not being issued or being so reacquired by the Company, the unused Common Stock covered by such Award shall again be available for the grant of Awards under the Plan. Further, shares of Common Stock delivered (either by actual delivery or attestation) to the Company by a Participant to satisfy the applicable exercise or purchase price of Award and/or to satisfy any applicable tax withholding obligation (including shares retained by the Company from the Award being exercised or purchased and/or creating the tax obligation) shall be added to the number of shares of Common Stock available for the grant of Awards under the Plan. However, in the case of Incentive Stock Options (as hereinafter defined), the foregoing provisions shall be subject to any

limitations under the Code. Shares of Common Stock issued under the Plan may consist in whole or in part of authorized but unissued shares, shares purchased on the open market or treasury shares.

(b) *Substitute Awards.* In connection with a merger or consolidation of an entity with the Company or the acquisition by the Company of property or stock of an entity, the Administrator may grant Awards in substitution for any options or other stock or stock-based awards granted prior to such merger or consolidation by such entity or an affiliate thereof. Substitute Awards may be granted on such terms as the Administrator deems appropriate in the circumstances, notwithstanding any limitations on Awards contained in the Plan. Substitute Awards shall not count against the overall share limit set forth in Section 4(a) hereof, except as may be required by reason of Section 422 of the Code.

5. *Stock Options.*

(a) *General.* The Administrator may grant Options to any Service Provider, subject to the limitations on Incentive Stock Options described below. The Administrator shall determine the number of shares of Common Stock to be covered by each Option, the exercise price of each Option and the conditions and limitations applicable to the exercise of each Option, including conditions relating to Applicable Laws, as it considers necessary or advisable.

(b) *Incentive Stock Options.* The Administrator may grant Options intended to qualify as Incentive Stock Options only to employees of the Company, any of the Company's present or future "parent corporations" or "subsidiary corporations" as defined in Sections 424(e) or (f) of the Code, respectively, and any other entities the employees of which are eligible to receive Incentive Stock Options under the Code. All Options intended to qualify as Incentive Stock Options shall be subject to and shall be construed consistently with the requirements of Section 422 of the Code. Neither the Company nor the Administrator shall have any liability to a Participant, or any other party, (i) if an Option (or any part thereof) which is intended to qualify as an Incentive Stock Option fails to qualify as an Incentive Stock Option or (ii) for any action or omission by the Administrator that causes an Option not to qualify as an Incentive Stock Option, including without limitation, the conversion of an Incentive Stock Option to a Non-Qualified Stock Option or the grant of an Option intended as an Incentive Stock Option that fails to satisfy the requirements under the Code applicable to an Incentive Stock Option. Any Option that is intended to qualify as an Incentive Stock Option, but fails to so qualify for any reason, including without limitation, the portion of any Option becoming exercisable in excess of the \$100,000 limitation described in Treasury Regulation Section 1.422-4, shall be treated as a Non-Qualified Stock Option for all purposes.

(c) *Exercise Price.* The Administrator shall establish the exercise price of each Option and specify the exercise price in the applicable Award Agreement. The exercise price shall be not less than 100% of the Fair Market Value on the date the Option is granted. In the case of an Incentive Stock Option granted to an employee who, at the time of grant of the Option, owns (or is treated as owning under Section 424 of the Code) stock representing more than 10% of the voting power of all classes of stock of the Company (or a "parent corporation" or "subsidiary corporation" thereof within the meaning of Sections 424(e) or 424(f) of the Code, respectively), the per share exercise price shall be no less than 110% of the Fair Market Value on the date the Option is granted.

(d) *Duration of Options.* Each Option shall be exercisable at such times and subject to such terms and conditions as the Administrator may specify in the applicable Award Agreement, provided that the term of any Option shall not exceed ten years. In the case of an Incentive Stock Option granted to an employee who, at the time of grant of the Option, owns (or is treated as owning under Section 424 of the Code) stock representing more than 10% of the voting power of all classes of stock of the Company (or a "parent corporation" or "subsidiary corporation" thereof within the meaning of Sections 424(e) or 424(f) of the Code, respectively), the term of the Option shall not exceed five years.

(e) *Exercise of Option; Notification of Disposition.* Options may be exercised by delivery to the Company of a written notice of exercise, in a form approved by the Administrator (which may be an electronic form), signed by the person authorized to exercise the Option, together with payment in full (i) as specified in Section 5(f) hereof for the number of shares for which the Option is exercised and (ii) as specified in Section 9(e) hereof for any applicable withholding taxes. Unless otherwise determined by the Administrator, an Option may not be exercised for a fraction of a share of Common Stock. If an Option is designated as an Incentive Stock Option, the Participant shall give prompt notice to the Company of any disposition or other transfer of any shares of Common Stock acquired from the Option if such disposition or transfer is made (i) within two years from the grant date with respect to such Option or (ii) within one year after the transfer of such shares to the Participant (other than any such disposition made in connection with a Change in Control). Such notice shall specify the date of such disposition or other transfer and the amount realized, in cash, other property, assumption of indebtedness or other consideration, by the Participant in such disposition or other transfer.

(f) *Payment Upon Exercise.* Common Stock purchased upon the exercise of an Option granted under the Plan shall be paid for in cash or by check, payable to the order of the Company, or, to the extent permitted by the Administrator, by:

(i) (A) delivery of an irrevocable and unconditional undertaking by a broker acceptable to the Company to deliver promptly to the Company sufficient funds to pay the exercise price and any required tax withholding, or (B) delivery by the Participant to the Company of a copy of irrevocable and unconditional instructions to a broker acceptable to the Company to deliver promptly to the Company cash or a check sufficient to pay the exercise price and any required tax withholding;

(ii) delivery (either by actual delivery or attestation) of shares of Common Stock owned by the Participant valued at their Fair Market Value, provided (A) such method of payment is then permitted under Applicable Laws, (B) such Common Stock, if acquired directly from the Company, was owned by the Participant for such minimum period of time, if any, as may be established by the Company at any time, and (C) such Common Stock is not subject to any repurchase, forfeiture, unfulfilled vesting or other similar requirements;

(iii) surrendering shares of Common Stock then issuable upon exercise of the Option valued at their Fair Market Value on the date of exercise;

(iv) delivery of a promissory note of the Participant to the Company on terms determined by the Administrator;

(v) delivery of property of any other kind which constitutes good and valuable consideration as determined by the Administrator; or

(vi) any combination of the above permitted forms of payment (including cash or check).

(g) *Early Exercise of Options.* The Administrator may provide in the terms of an Award Agreement that the Service Provider may exercise an Option in whole or in part prior to the full vesting of the Option in exchange for unvested shares of Restricted Stock with respect to any unvested portion of the Option so exercised. Shares of Restricted Stock acquired upon the exercise of any unvested portion of an Option shall be subject to such terms and conditions as the Administrator shall determine.

6. *Restricted Stock; Restricted Stock Units.*

(a) *General.* The Administrator may grant Restricted Stock, or the right to purchase Restricted Stock, to any Service Provider, subject to the right of the Company to repurchase all or part of such shares at their issue price or other stated or formula price from the Participant (or to require forfeiture of such shares if issued at no cost) in the event that conditions specified by the Administrator in the applicable Award Agreement are not satisfied prior to the end of the applicable restriction period or periods established by the Administrator for such Award. In addition, the Administrator may grant to Service Providers Restricted Stock Units, which may be subject to vesting and forfeiture conditions during applicable restriction period or periods, as set forth in an applicable Award Agreement.

(b) *Terms and Conditions for All Restricted Stock and Restricted Stock Unit Awards.* The Administrator shall determine and set forth in the applicable Award Agreement the terms and conditions applicable to each Restricted Stock and Restricted Stock Unit Award, including the conditions for vesting and repurchase (or forfeiture) and the issue price, in each case, if any.

(c) *Additional Provisions Relating to Restricted Stock.*

(i) *Dividends.* Participants holding shares of Restricted Stock will be entitled to all ordinary cash dividends paid with respect to such shares, unless otherwise provided by the Administrator in the applicable Award Agreement. In addition, unless otherwise provided by the Administrator, if any dividends or distributions are paid in shares, or consist of a dividend or distribution to holders of Common Stock of property other than an ordinary cash dividend, the shares or other property will be subject to the same restrictions on transferability and forfeitability as the shares of Restricted Stock with respect to which they were paid. Each dividend payment will be made as provided in the applicable Award Agreement, but in no event later than the end of the calendar year in which the dividends are paid to shareholders of that class of stock or, if later, the 15th day of the third month following the later of (A) the date the dividends are paid to shareholders of that class of stock, and (B) the date the dividends are no longer subject to forfeiture.

(ii) *Stock Certificates.* The Company may require that any stock certificates issued in respect of shares of Restricted Stock be deposited in escrow by the Participant, together with a stock power endorsed in blank, with the Company (or its designee).

(d) *Additional Provisions Relating to Restricted Stock Units.*

(i) *Settlement.* Upon the vesting of a Restricted Stock Unit, the Participant shall be entitled to receive from the Company one share of Common Stock or an amount of cash or other property equal to the Fair Market Value of one share of Common Stock on the settlement date, as provided in the applicable Award Agreement. The Administrator may provide that settlement of Restricted Stock Units shall occur upon or as soon as reasonably practicable after the vesting of the Restricted Stock Units or shall instead be deferred, on a mandatory basis or at the election of the Participant, in a manner that complies with Section 409A.

(ii) *Voting Rights.* A Participant shall have no voting rights with respect to any Restricted Stock Units unless and until shares are delivered in settlement thereof.

(iii) *Dividend Equivalents.* To the extent provided by the Administrator, a grant of Restricted Stock Units may provide a Participant with the right to receive Dividend Equivalents. Dividend Equivalents may be paid currently or credited to an account for the

Participant, may be settled in cash and/or shares of Common Stock and may be subject to the same restrictions on transfer and forfeitability as the Restricted Stock Units with respect to which the Dividend Equivalents are paid, as determined by the Administrator, subject, in each case, to such terms and conditions as the Administrator shall establish and set forth in the applicable Award Agreement.

7. *Other Stock-Based Awards.*

Other Stock-Based Awards may be granted hereunder to Participants, including, without limitation, Awards entitling Participants to receive shares of Common Stock to be delivered in the future. Such Other Stock-Based Awards shall also be available as a form of payment in the settlement of other Awards granted under the Plan, as stand-alone payments and/or as payment in lieu of compensation to which a Participant is otherwise entitled. Other Stock-Based Awards may be paid in shares of Common Stock, cash or other property, as the Administrator shall determine. Subject to the provisions of the Plan, the Administrator shall determine the terms and conditions of each Other Stock-Based Award, including any purchase price, transfer restrictions, vesting conditions and other terms and conditions applicable thereto, which shall be set forth in the applicable Award Agreement.

8. *Adjustments for Changes in Common Stock and Certain Other Events.*

(a) In the event that the Administrator determines that any dividend or other distribution (whether in the form of cash, Common Stock, other securities, or other property), reorganization, merger, consolidation, combination, repurchase, recapitalization, liquidation, dissolution, or sale, transfer, exchange or other disposition of all or substantially all of the assets of the Company, or exchange of Common Stock or other securities of the Company, issuance of warrants or other rights to purchase Common Stock or other securities of the Company, or other similar corporate transaction or event, as determined by the Administrator, affects the Common Stock such that an adjustment is determined by the Administrator to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended by the Company to be made available under the Plan or with respect to any Award, then the Administrator may, in such manner as it may deem equitable, adjust any or all of:

(i) the number and kind of shares of Common Stock (or other securities or property) with respect to which Awards may be granted or awarded (including, but not limited to, adjustments of the limitations in Section 3 hereof on the maximum number and kind of shares which may be issued);

(ii) the number and kind of shares of Common Stock (or other securities or property) subject to outstanding Awards;

(iii) the grant or exercise price with respect to any Award; and

(iv) the terms and conditions of any Awards (including, without limitation, any applicable financial or other performance “targets” specified in an Award Agreement).

(b) In the event of any transaction or event described in Section 8(a) hereof (including without limitation any Change in Control) or any unusual or nonrecurring transaction or event affecting the Company or the financial statements of the Company, or any change in any Applicable Laws or accounting principles, the Administrator, on such terms and conditions as it deems appropriate, either by the terms of the Award or by action taken prior to the occurrence of such transaction or event and either automatically or upon the Participant’s request, is hereby authorized to take any one or more of the

following actions whenever the Administrator determines that such action is appropriate in order to (i) prevent dilution or enlargement of the benefits or potential benefits intended by the Company to be made available under the Plan or with respect to any Award granted or issued under the Plan, (ii) to facilitate such transaction or event or (iii) give effect to such changes in Applicable Laws or accounting principles:

(i) To provide for the cancellation of any such Award in exchange for either an amount of cash or other property with a value equal to the amount that could have been obtained upon the exercise or settlement of such Award or realization of the Participant's rights had such Award been currently exercisable, payable and fully vested, as applicable; provided that, if the amount that could have been obtained upon the exercise or settlement of such Award or realization of the Participant's rights, in any case, is equal to or less than zero, then such Award may be terminated without payment;

(ii) To provide that such Award shall vest and, to the extent applicable, be exercisable as to all shares covered thereby, notwithstanding anything to the contrary in the Plan or the provisions of such Award;

(iii) To provide that such Award be assumed by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for by awards covering the stock of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and applicable exercise or purchase price, in all cases, as determined by the Administrator;

(iv) To make adjustments in the number and type of shares of Common Stock (or other securities or property) subject to outstanding Awards, and/or in the terms and conditions of (including the grant or exercise price), and the criteria included in, outstanding Awards which may be granted in the future;

(v) To replace such Award with other rights or property selected by the Administrator; and/or

(vi) To provide that the Award will terminate and cannot vest, be exercised or become payable after the applicable event.

(c) Notwithstanding the provisions of Section 8(b) above, if a Change in Control occurs and a Participant's Awards are not continued, converted, assumed, or replaced with a substantially similar award by (i) the Company, or (ii) a successor entity or its parent or subsidiary (an "**Assumption**"), and provided that the Participant has not had a Termination of Service, then immediately prior to the Change in Control such Awards shall become fully vested, exercisable and/or payable, as applicable, and all forfeiture, repurchase and other restrictions on such Awards shall lapse, in which case, such Awards shall be canceled upon the consummation of the Change in Control in exchange for the right to receive the Change in Control consideration payable to other holders of Common Stock (A) which may be on such terms and conditions as apply generally to holders of Common Stock under the Change in Control documents (including, without limitation, any escrow, earn-out or other deferred consideration provisions) or such other terms and conditions as the Administrator may provide, and (B) determined by reference to the number of shares subject to such Awards and net of any applicable exercise price; provided that to the extent that any Awards constitute "nonqualified deferred compensation" that may not be paid upon the Change in Control under Section 409A without the imposition of taxes thereon under Section 409A, the timing of such payments shall be governed by the applicable Award Agreement (subject to any deferred consideration provisions applicable under the Change in Control documents); and provided, further, that if the amount to which a Participant would be entitled upon the settlement or

exercise of such Award at the time of the Change in Control is equal to or less than zero, then such Award may be terminated without payment. The Administrator shall determine whether an Assumption of an Award has occurred in connection with a Change in Control.

(d) In connection with the occurrence of any Equity Restructuring, and notwithstanding anything to the contrary in this Section 8, the Administrator will equitably adjust each outstanding Award, which adjustments may include adjustments to the number and type of securities subject to each outstanding Award and/or the exercise price or grant price thereof, if applicable, the grant of new Awards to Participants, and/or the making of a cash payment to Participants, as the Administrator deems appropriate to reflect such Equity Restructuring. The adjustments provided under this Section 8(e) shall be nondiscretionary and shall be final and binding on the affected Participant and the Company; provided that whether an adjustment is equitable shall be determined by the Administrator.

(e) In the event of any pending stock dividend, stock split, combination or exchange of shares, merger, consolidation or other distribution (other than normal cash dividends) of Company assets to shareholders, or any other change affecting the shares of Common Stock or the share price of the Common Stock, including any Equity Restructuring, or if necessary to comply with Applicable Laws or the Code, or for reasons of administrative convenience, the Administrator may, in its sole discretion, refuse to permit the exercise of any Award; provided, however, that in the event the vested portion of an Award is not exercisable on the date the Award would otherwise expire pursuant to the terms set forth in the Award Agreement governing such Award as a result of the Administrator's exercise of discretion pursuant to this Section 8(e), then the expiration of the Award shall be extended through the date that is thirty days following the date on which the Administrator first permits the Award to be exercised (but in no event shall the expiration of the Award be extended beyond the tenth anniversary of the date of grant of such Award).

(f) Except as expressly provided in the Plan or pursuant to action of the Administrator under the Plan, no Participant shall have any rights by reason of any subdivision or consolidation of shares of stock of any class, the payment of any dividend, any increase or decrease in the number of shares of stock of any class or any dissolution, liquidation, merger, or consolidation of the Company or any other corporation. Except as expressly provided in the Plan or pursuant to action of the Administrator under the Plan, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number of shares of Common Stock subject to an Award or the grant or exercise price of any Award. The existence of the Plan, any Award Agreements and the Awards granted hereunder shall not affect or restrict in any way the right or power of the Company to make or authorize (i) any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, (ii) any merger, consolidation dissolution or liquidation of the Company or sale of Company assets or (iii) any sale or issuance of securities, including without limitation, securities with rights superior to those of the Common Stock or which are convertible into or exchangeable for Common Stock. The Administrator may treat Participants and Awards (or portions thereof) differently under this Section 8.

9. General Provisions Applicable to Awards.

(a) *Transferability of Awards.* Except as the Administrator may otherwise determine or provide in an Award Agreement or otherwise, in any case in accordance with Applicable Laws, Awards shall not be sold, assigned, transferred, pledged or otherwise encumbered by the person to whom they are granted, either voluntarily or by operation of law, except by will or the laws of descent and distribution, and, during the life of the Participant, shall be exercisable only by the Participant.

References to a Participant, to the extent relevant in the context, shall include references to authorized transferees.

(b) *Documentation.* Each Award shall be evidenced in an Award Agreement, which may be in such form (written, electronic or otherwise) as the Administrator shall determine. Each Award may contain terms and conditions in addition to those set forth in the Plan.

(c) *Discretion.* Except as otherwise provided by the Plan, each Award may be made alone or in addition or in relation to any other Award. The terms of each Award to a Participant need not be identical, and the Administrator need not treat Participants or Awards (or portions thereof) uniformly.

(d) *Termination of Status.* The Administrator shall determine the effect on an Award of the disability, death, retirement, authorized leave of absence or any other change or purported change in a Participant's Service Provider status and the extent to which, and the period during which, the Participant, the Participant's legal representative, conservator, guardian or Designated Beneficiary may exercise rights under the Award, if applicable.

(e) *Withholding.* Each Participant shall pay to the Company, or make provision satisfactory to the Administrator for payment of, any taxes required by law to be withheld in connection with Awards to such Participant no later than the date of the event creating the tax liability. Except as the Administrator may otherwise determine, all such payments shall be made in cash or by certified check. Notwithstanding the foregoing, to the extent permitted by the Administrator, Participants may satisfy such tax obligations in whole or in part by delivery of shares of Common Stock, including shares retained from the Award creating the tax obligation, valued at their Fair Market Value. The Company may, to the extent permitted by Applicable Laws, deduct any such tax obligations from any payment of any kind otherwise due to a Participant.

(f) *Amendment of Award.* The Administrator may amend, modify or terminate any outstanding Award, including but not limited to, substituting therefor another Award of the same or a different type, changing the date of exercise or settlement, and converting an Incentive Stock Option to a Non-Qualified Stock Option. The Participant's consent to such action shall be required unless (i) the Administrator determines that the action, taking into account any related action, would not materially and adversely affect the Participant, or (ii) the change is permitted under Section 8 and 10(f) hereof.

(g) *Conditions on Delivery of Stock.* The Company will not be obligated to deliver any shares of Common Stock pursuant to the Plan or to remove restrictions from shares previously delivered under the Plan until (i) all conditions of the Award have been met or removed to the satisfaction of the Company, (ii) in the opinion of the Company's counsel, all other legal matters in connection with the issuance and delivery of such shares have been satisfied, including any applicable securities laws and any applicable stock exchange or stock market rules and regulations, and (iii) the Participant has executed and delivered to the Company such representations or agreements as the Administrator deems necessary or appropriate to satisfy the requirements of any Applicable Laws. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is determined by the Administrator to be necessary to the lawful issuance and sale of any securities hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such shares as to which such requisite authority shall not have been obtained.

(h) *Acceleration.* The Administrator may at any time provide that any Award shall become immediately vested and/or exercisable in full or in part, free of some or all restrictions or conditions, or otherwise realizable in full or in part, as the case may be.

10. *Miscellaneous.*

(a) *No Right To Employment or Other Status.* No person shall have any claim or right to be granted an Award, and the grant of an Award shall not be construed as giving a Participant the right to continued employment or any other relationship with the Company. The Company expressly reserves the right at any time to dismiss or otherwise terminate its relationship with a Participant free from any liability or claim under the Plan or any Award, except as expressly provided in an applicable Award Agreement.

(b) *No Rights As Shareholder; Certificates.* Subject to the provisions of the applicable Award Agreement, no Participant or Designated Beneficiary shall have any rights as a shareholder with respect to any shares of Common Stock to be distributed with respect to an Award until becoming the record holder of such shares. Notwithstanding any other provision of the Plan, unless otherwise determined by the Administrator or required by any Applicable Laws, the Company shall not be required to deliver to any Participant certificates evidencing shares of Common Stock issued in connection with any Award and instead such shares of Common Stock may be recorded in the books of the Company (or, as applicable, its transfer agent or stock plan administrator). The Company may place legends on stock certificates issued under the Plan deemed necessary or appropriate by the Administrator in order to comply with Applicable Laws.

(c) *Effective Date and Term of Plan.* The Plan shall become effective on the date on which it is adopted by the Board. No Awards shall be granted under the Plan after the completion of ten years from the earlier of (i) the date on which the Plan was adopted by the Board or (ii) the date the Plan was approved by the Company's shareholders, but Awards previously granted may extend beyond that date in accordance with the terms of the Plan.

(d) *Amendment of Plan.* The Administrator may amend, suspend or terminate the Plan or any portion thereof at any time; provided that no amendment of the Plan shall materially and adversely affect any Award outstanding at the time of such amendment without the consent of the affected Participant. Awards outstanding under the Plan at the time of any suspension or termination of the Plan shall continue to be governed in accordance with the terms of the Plan and the applicable Award Agreement, as in effect prior to such suspension or termination. The Board shall obtain shareholder approval of any Plan amendment to the extent necessary to comply with Applicable Laws.

(e) *Provisions for Foreign Participants.* The Administrator may modify Awards granted to Participants who are foreign nationals or employed outside the United States or establish subplans or procedures under the Plan to address differences in laws, rules, regulations or customs of such foreign jurisdictions with respect to tax, securities, currency, employee benefit or other matters.

(f) *Section 409A.*

(i) *General.* The Company intends that all Awards be structured in compliance with, or to satisfy an exemption from, Section 409A, such that no adverse tax consequences, interest, or penalties under Section 409A apply in connection with any Awards. Notwithstanding anything herein or in any Award Agreement to the contrary, the Administrator may, without a Participant's prior consent, amend this Plan and/or Awards, adopt policies and procedures, or take any other actions (including amendments, policies, procedures and actions with retroactive effect) as are necessary or appropriate to preserve the intended tax treatment of Awards under the Plan, including without limitation, any such actions intended to (A) exempt this Plan and/or any Award from the application of Section 409A, and/or (B) comply with the requirements of Section 409A, including without limitation any such regulations, guidance,

compliance programs and other interpretative authority that may be issued after the date of grant of any Award. The Company makes no representations or warranties as to the tax treatment of any Award under Section 409A or otherwise. The Company shall have no obligation under this Section 10(f) or otherwise to take any action (whether or not described herein) to avoid the imposition of taxes, penalties or interest under Section 409A with respect to any Award and shall have no liability to any Participant or any other person if any Award, compensation or other benefits under the Plan are determined to constitute non-compliant, “nonqualified deferred compensation” subject to the imposition of taxes, penalties and/or interest under Section 409A.

(ii) *Separation from Service.* With respect to any Award that constitutes “nonqualified deferred compensation” under Section 409A, any payment or settlement of such Award that is to be made upon a termination of a Participant’s Service Provider relationship shall, to the extent necessary to avoid the imposition of taxes under Section 409A, be made only upon the Participant’s “separation from service” (within the meaning of Section 409A), whether such “separation from service” occurs upon or subsequent to the termination of the Participant’s Service Provider relationship. For purposes of any such provision of this Plan or any Award Agreement relating to any such payments or benefits, references to a “termination,” “termination of employment” or like terms shall mean “separation from service.”

(iii) *Payments to Specified Employees.* Notwithstanding any contrary provision in the Plan or any Award Agreement, any payment(s) of “nonqualified deferred compensation” that are otherwise required to be made under an Award to a “specified employee” (as defined under Section 409A and determined by the Administrator) as a result of his or her “separation from service” shall, to the extent necessary to avoid the imposition of taxes under Code Section 409A(a)(2)(B) (i), be delayed until the expiration of the six-month period immediately following such “separation from service” (or, if earlier, until the date of death of the specified employee) and shall instead be paid (in a manner set forth in the Award agreement) on the day that immediately follows the end of such six-month period or as soon as administratively practicable thereafter (without interest). Any payments of “nonqualified deferred compensation” under such Award that are, by their terms, payable more than six months following the Participant’s “separation from service” shall be paid at the time or times such payments are otherwise scheduled to be made.

(g) *Limitations on Liability.* Notwithstanding any other provisions of the Plan, no individual acting as a director, officer, other employee or agent of the Company will be liable to any Participant, former Participant, spouse, beneficiary, or any other person for any claim, loss, liability, or expense incurred in connection with the Plan or any Award, nor will such individual be personally liable with respect to the Plan because of any contract or other instrument he or she executes in his or her capacity as an Administrator, director, officer, other employee or agent of the Company. The Company will indemnify and hold harmless each director, officer, other employee and agent of the Company to whom any duty or power relating to the administration or interpretation of the Plan has been or will be granted or delegated, against any cost or expense (including attorneys’ fees) or liability (including any sum paid in settlement of a claim with the Administrator’s approval) arising out of any act or omission to act concerning this Plan unless arising out of such person’s own fraud or bad faith.

(h) *Lock-Up Period.* The Company may, at the request of any representative of the underwriters (the “*Managing Underwriter*”) or otherwise, in connection with any registration of the offering of any securities of the Company under the Securities Act, prohibit Participants from, directly or indirectly, selling or otherwise transferring any shares of Common Stock or other securities of the Company during a period of up to one hundred eighty days following the effective date of a registration statement of the Company filed under the Securities Act.

(i) *Right of First Refusal.*

(i) Before any shares of Common Stock held by a Participant or any permitted transferee (each, a “**Holder**”) may be sold, pledged, assigned, hypothecated, transferred, or otherwise disposed of (each, a “**Transfer**”), the Company or its assignee(s) shall have a right of first refusal to purchase the shares of Common Stock proposed to be Transferred on the terms and conditions set forth in this Section 10(i) (the “**Right of First Refusal**”). In the event that the Company’s charter, bylaws and/or a shareholders’ agreement applicable to the shares of Common Stock contain a right of first refusal with respect to the shares of Common Stock, such right of first refusal shall apply to the shares of Common Stock to the extent such provisions are more restrictive than the Right of First Refusal set forth in this Section 10(i) and the Right of First Refusal set forth in this Section 10(i) shall not in any way restrict the operation of the Company’s charter, bylaws or the operation of any applicable shareholders’ agreement.

(ii) In the event any Holder desires to Transfer any shares of Common Stock, the Holder shall deliver to the Company a written notice (the “**Notice**”) stating: (A) the Holder’s bona fide intention to sell or otherwise Transfer such shares of Common Stock; (B) the name of each proposed purchaser or other transferee (“**Proposed Transferee**”); (C) the number of shares of Common Stock to be Transferred to each Proposed Transferee; and (D) the price for which the Holder proposes to Transfer the shares of Common Stock (the “**Offered Price**”), and the Holder shall offer such shares of Common Stock at the Offered Price to the Company or its assignee(s).

(iii) Within twenty-five days after receipt of the Notice, the Company and/or its assignee(s) may elect in writing to purchase all, but not less than all, of the shares of Common Stock proposed to be Transferred to any one or more of the Proposed Transferees by delivery of a written exercise notice to the Holder (a “**Company Notice**”). The purchase price (“**Purchase Price**”) for the shares of Common Stock repurchased under this Section 10(i) shall be the Offered Price.

(iv) Payment of the Purchase Price shall be made, at the option of the Company or its assignee(s), in cash (by check or wire transfer), by cancellation of all or a portion of any outstanding indebtedness of the Holder to the Company (or, in the case of repurchase by an assignee, to the assignee), or by any combination thereof, within five days after delivery of the Company Notice or in the manner and at the times mutually agreed to by the Company and the Holder. Should the Offered Price specified in the Notice be payable in property other than cash, the Company or its assignee shall have the right to pay the purchase price in the form of cash equal in amount to the value of such property, as determined by the Administrator.

(v) If all or a portion of the shares of Common Stock proposed in the Notice to be Transferred are not purchased by the Company and/or its assignee(s) as provided in this Section 10(i), then the Holder may sell or otherwise Transfer such shares of Common Stock to that Proposed Transferee at the Offered Price or at a higher price; provided that such sale or other Transfer is consummated within sixty days after the date of the Notice; and provided, further, that any such sale or other Transfer is effected in accordance with any Applicable Laws and the Proposed Transferee agrees in writing that the provisions of this Plan and the applicable Award Agreement and any other applicable agreements governing the shares of Common Stock to be Transferred shall continue to apply to the shares of Common Stock in the hands of such Proposed Transferee. If the shares of Common Stock described in the Notice are not Transferred to the Proposed Transferee within such sixty-day period, a new Notice shall be given to the Company, and the Company and/or its assignees shall again be offered the Right of First Refusal, as

provided herein, before any shares of Common Stock held by the Holder may be sold or otherwise Transferred.

(vi) Anything to the contrary contained in this Section 10(i) notwithstanding and to the extent permitted by the Administrator, the Transfer of any or all of the shares of Common Stock during a Participant's lifetime or upon a Participant's death by will or intestacy to the Participant's Immediate Family or a trust for the benefit of the Participant's Immediate Family shall be exempt from the Right of First Refusal. As used herein, "**Immediate Family**" shall mean spouse, lineal descendant or antecedent, father, mother, brother or sister or stepchild (whether or not adopted). In such case, the transferee or other recipient shall receive and hold the shares of Common Stock so Transferred subject to the provisions of this Plan (including the Right of First Refusal), the applicable Award Agreement and any other applicable agreements governing the shares of Common Stock to be Transferred, and there shall be no further Transfer of such shares of Common Stock except in accordance with the terms of this Section 10(i) (or otherwise as expressly provided under the Plan).

(vii) The Right of First Refusal shall terminate as to all shares of Common Stock if the Company becomes a Publicly Listed Company upon such occurrence.

(j) *Data Privacy.* As a condition of receipt of any Award, each Participant explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of personal data as described in this paragraph by and among, as applicable, the Company and its subsidiaries and affiliates for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan. The Company and its subsidiaries and affiliates may hold certain personal information about a Participant, including but not limited to, the Participant's name, home address and telephone number, date of birth, social security or insurance number or other identification number, salary, nationality, job title(s), any shares of stock held in the Company or any of its subsidiaries and affiliates, details of all Awards, in each case, for the purpose of implementing, managing and administering the Plan and Awards (the "**Data**"). The Company and its subsidiaries and affiliates may transfer the Data amongst themselves as necessary for the purpose of implementation, administration and management of a Participant's participation in the Plan, and the Company and its subsidiaries and affiliates may each further transfer the Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located in the Participant's country, or elsewhere, and the Participant's country may have different data privacy laws and protections than the recipients' country. Through acceptance of an Award, each Participant authorizes such recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom the Company or the Participant may elect to deposit any shares of Common Stock. The Data related to a Participant will be held only as long as is necessary to implement, administer, and manage the Participant's participation in the Plan. A Participant may, at any time, view the Data held by the Company with respect to such Participant, request additional information about the storage and processing of the Data with respect to such Participant, recommend any necessary corrections to the Data with respect to the Participant or refuse or withdraw the consents herein in writing, in any case without cost, by contacting his or her local human resources representative. The Company may cancel Participant's ability to participate in the Plan and, in the Administrator's discretion, the Participant may forfeit any outstanding Awards if the Participant refuses or withdraws his or her consents as described herein. For more information on the consequences of refusal to consent or withdrawal of consent, Participants may contact their local human resources representative.

(k) *Severability.*

In the event any portion of the Plan or any action taken pursuant thereto shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provisions had not been included, and the illegal or invalid action shall be null and void.

(l) *Governing Documents.*

(m) In the event of any contradiction between the Plan and any Award Agreement or any other written agreement between a Participant and the Company or any Subsidiary of the Company that has been approved by the Administrator, the terms of the Plan shall govern, unless it is expressly specified in such Award Agreement or other written document that a specific provision of the Plan shall not apply.

(m) *Governing Law.* The provisions of the Plan and all Awards made hereunder shall be governed by and interpreted in accordance with the laws of the State of California, disregarding choice-of-law principles of the law of any state that would require the application of the laws of a jurisdiction other than such state.

(n) *Restrictions on Shares; Claw-Back Provisions.* Shares of Common Stock acquired in respect of Awards shall be subject to such terms and conditions as the Administrator shall determine, including, without limitation, restrictions on the transferability of shares of Common Stock, the right of the Company to repurchase shares of Common Stock, the right of the Company to require that shares of Common Stock be transferred in the event of certain transactions, tag-along rights, bring-along rights, redemption and co-sale rights and voting requirements. Such terms and conditions may be additional to those contained in the Plan and may, as determined by the Administrator, be contained in the applicable Award Agreement or in an exercise notice, shareholders' agreement or in such other agreement as the Administrator shall determine, in each case in a form determined by the Administrator. The issuance of such shares of Common Stock shall be conditioned on the Participant's consent to such terms and conditions and the Participant's entering into such agreement or agreements. All Awards (including any proceeds, gains or other economic benefit actually or constructively received by Participant upon any receipt or exercise of any Award or upon the receipt or resale of any shares of Common Stock underlying the Award) shall be subject to the provisions of any claw-back policy implemented by the Company, including, without limitation, any claw-back policy adopted to comply with the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules or regulations promulgated thereunder, to the extent set forth in such claw-back policy and/or in the applicable Award Agreement. Notwithstanding the foregoing, it shall be a condition to the issuance of any shares of Common Stock pursuant to an Award under this Plan that the Participant shall agree in writing to be bound by the terms and conditions of, and become a party to, any shareholders' agreement of the Company.

(o) *Titles and Headings.* The titles and headings of the Sections in the Plan are for convenience of reference only and, in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.

(p) *Conformity to Securities Laws.* Participant acknowledges that the Plan is intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated by the Securities and Exchange Commission thereunder, and state securities laws and regulations. Notwithstanding anything herein to the contrary, the Plan and all Awards granted hereunder shall be administered only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by Applicable Laws, the Plan and all Award Agreements shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

11. **Definitions.** As used in the Plan, the following words and phrases shall have the following meanings:

(a) “**Administrator**” means the Board or a Committee to the extent that the Board’s powers or authority under the Plan have been delegated to such Committee.

(b) “**Applicable Laws**” means the requirements relating to the administration of equity incentive plans under U.S. federal and state securities, tax and other applicable laws, rules and regulations, the applicable rules of any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws and rules of any foreign country or other jurisdiction where Awards are granted or issued under the Plan.

(c) “**Award**” means, individually or collectively, a grant under the Plan of Options, Restricted Stock, Restricted Stock Units or Other Stock-Based Awards.

(d) “**Award Agreement**” means a written agreement evidencing an Award, which agreements may be in electronic medium and shall contain such terms and conditions with respect to an Award as the Administrator shall determine, consistent with and subject to the terms and conditions of the Plan.

(e) “**Board**” means the Board of Directors of the Company.

(f) “**Cause**,” with respect to a Participant, means “Cause” (or any term of similar effect) as defined in such Participant’s employment agreement with the Company if such an agreement exists and contains a definition of Cause (or term of similar effect), or, if no such agreement exists or such agreement does not contain a definition of Cause (or term of similar effect), then Cause shall include, but not be limited to: (i) the Participant’s unauthorized use or disclosure of confidential information or trade secrets of the Company or any material breach of a written agreement between the Participant and the Company, including without limitation a material breach of any employment, confidentiality, non-compete, non-solicit or similar agreement; (ii) the Participant’s commission of, indictment for or the entry of a plea of guilty or *nolo contendere* by the Participant to, a felony under the laws of the United States or any state thereof or any crime involving dishonesty or moral turpitude (or any similar crime in any jurisdiction outside the United States); (iii) the Participant’s gross negligence or willful misconduct or the Participant’s willful or repeated failure or refusal to substantially perform assigned duties; (iv) any act of fraud, embezzlement, material misappropriation or dishonesty committed by the Participant against the Company; or (v) any acts, omissions or statements by a Participant which the Company reasonably determines to be materially detrimental or damaging to the reputation, operations, prospects or business relations of the Company.

(g) “**Change in Control**” means (i) a merger or consolidation of the Company with or into any other corporation or other entity or person, (ii) a sale, lease, exchange or other transfer in one transaction or a series of related transactions of all or substantially all of the Company’s assets, or (iii) any other transaction, including the sale by the Company of new shares of its capital stock or a transfer of existing shares of capital stock of the Company, the result of which is that a third party that is not an affiliate of the Company or its shareholders (or a group of third parties not affiliated with the Company or its shareholders) immediately prior to such transaction acquires or holds capital stock of the Company representing a majority of the Company’s outstanding voting power immediately following such transaction; provided that the following events shall not constitute a “Change in Control”: (A) a transaction (other than a sale of all or substantially all of the Company’s assets) in which the holders of the voting securities of the Company immediately prior to the merger or consolidation hold, directly or indirectly, at least a majority of the voting securities in the successor corporation or its parent

immediately after the merger or consolidation; (B) a sale, lease, exchange or other transaction in one transaction or a series of related transactions of all or substantially all of the Company's assets to an affiliate of the Company; (C) an initial public offering of any of the Company's securities; (D) a reincorporation of the Company solely to change its jurisdiction; or (E) a transaction undertaken for the primary purpose of creating a holding company that will be owned in substantially the same proportion by the persons who held the Company's securities immediately before such transaction. Notwithstanding the foregoing, if a Change in Control would give rise to a payment or settlement event with respect to any Award that constitutes "nonqualified deferred compensation," the transaction or event constituting the Change in Control must also constitute a "change in control event" (as defined in Treasury Regulation §1.409A-3(i)(5)) in order to give rise to the payment or settlement event for such Award, to the extent required by Section 409A.

(h) "**Code**" means the Internal Revenue Code of 1986, as amended, and the regulations issued thereunder.

(i) "**Committee**" means one or more committees or subcommittees of the Board, which may be comprised of one or more directors and/or executive officers of the Company, in either case, to the extent permitted in accordance with Applicable Laws.

(j) "**Common Stock**" means the common stock of the Company.

(k) "**Company**" means Airgain, Inc., a California corporation, or any successor thereto. Except where the context otherwise requires, the term "Company" includes any of the Company's present or future parent or subsidiary corporations as defined in Sections 424(e) or (f) of the Code and any other business venture (including, without limitation, joint venture or limited liability company) in which the Company has a significant interest, as determined by the Administrator.

(l) "**Consultant**" means any person, including any advisor, engaged by the Company or a parent or subsidiary of the Company to render services to such entity.

(m) "**Designated Beneficiary**" means the beneficiary or beneficiaries designated, in a manner determined by the Administrator, by a Participant to receive amounts due or exercise rights of the Participant in the event of the Participant's death or incapacity. In the absence of an effective designation by a Participant, "Designated Beneficiary" shall mean the Participant's estate.

(n) "**Director**" means a member of the Board.

(o) "**Disability**" means a permanent and total disability within the meaning of Section 22(e)(3) of the Code, as it may be amended from time to time.

(p) "**Dividend Equivalents**" means a right granted to a Participant pursuant to Section 6(d)(3) hereof to receive the equivalent value (in cash or shares of Common Stock) of dividends paid on shares of Common Stock.

(q) "**Employee**" means any person, including officers and Directors, employed by the Company (within the meaning of Section 3401(c) of the Code) or any parent or subsidiary of the Company.

(r) "**Equity Restructuring**" means, as determined by the Administrator, a non-reciprocal transaction between the Company and its shareholders, such as a stock dividend, stock split, spin-off or recapitalization through a large, nonrecurring cash dividend, that affects the shares of

Common Stock (or other securities of the Company) or the share price of Common Stock (or other securities of the Company) and causes a change in the per share value of the Common Stock underlying outstanding Awards.

(s) “**Exchange Act**” means the Securities Exchange Act of 1934, as amended.

(t) “**Fair Market Value**” means, as of any date, the value of Stock determined as follows: (i) if the Common Stock is listed on any established stock exchange, its Fair Market Value shall be the closing sales price for such Common Stock as quoted on such exchange for such date, or if no sale occurred on such date, the first market trading day immediately prior to such date during which a sale occurred, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable; (ii) if the Common Stock is not traded on a stock exchange but is quoted on a national market or other quotation system, the last sales price on such date, or if no sales occurred on such date, then on the date immediately prior to such date on which sales prices are reported, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable; or (iii) in the absence of an established market for the Common Stock, the Fair Market Value thereof shall be determined by the Administrator.

(u) “**Incentive Stock Option**” means an “incentive stock option” as defined in Section 422 of the Code.

(v) “**Non-Qualified Stock Option**” means an Option that is not intended to be or otherwise does not qualify as an Incentive Stock Option.

(w) “**Option**” means an option to purchase Common Stock.

(x) “**Other Stock-Based Awards**” means other Awards of shares of Common Stock, and other Awards that are valued in whole or in part by reference to, or are otherwise based on, shares of Common Stock or other property.

(y) “**Participant**” means a Service Provider who has been granted an Award under the Plan.

(z) “**Plan**” means this 2013 Equity Incentive Plan.

(aa) “**Publicly Listed Company**” means that the Company or its successor (i) is required to file periodic reports pursuant to Section 12 of the Exchange Act and (ii) the Common Stock is listed on one or more National Securities Exchanges (within the meaning of the Exchange Act) or is quoted on NASDAQ or a successor quotation system.

(bb) “**Restricted Stock**” means Common Stock awarded to a Participant pursuant to Section 6 hereof that is subject to certain vesting conditions and other restrictions.

(cc) “**Restricted Stock Unit**” means an unfunded, unsecured right to receive, on the applicable settlement date, one share of Common Stock or an amount in cash or other consideration determined by the Administrator equal to the value thereof as of such payment date, which right may be subject to certain vesting conditions and other restrictions.

(dd) “**Section 409A**” means Section 409A of the Code and all regulations, guidance, compliance programs and other interpretative authority thereunder.

(ee) "**Securities Act**" means the Securities Act of 1933, as amended from time to time.

(ff) "**Service Provider**" means an Employee, Consultant or Director.

(gg) "**Termination of Service**" means the date the Participant ceases to be a Service Provider.

AIRGAIN, INC.

2013 EQUITY INCENTIVE PLAN

CALIFORNIA SUPPLEMENT

The Administrator has adopted this supplement for purposes of satisfying the requirements of Section 25102(o) of the California Corporations Code and the regulations issued thereunder (“**Section 25102(o)**”). Notwithstanding anything to the contrary contained in the Plan and except as otherwise determined by the Administrator, the provisions set forth in this supplement shall apply to all Awards granted under the Plan to a Participant who is a resident of the State of California on the date of grant (a “**California Participant**”) and which are intended to be exempt from registration in California pursuant to Section 25102(o). This supplement shall not apply to Awards granted to California Participants or after the date on which the Company becomes a Publicly Listed Company. Definitions in the Plan are applicable to this supplement.

1. **Additional Limitations On Options.**

(a) *Maximum Duration of Options.* No Options granted to California Participants will be granted for a term in excess of 10 years.

(b) *Minimum Exercise Period Following Termination.* Unless a California Participant’s Service Provider relationship is terminated for Cause, in the event of termination of such Participant’s Service Provider relationship, to the extent required by Applicable Laws, he or she shall have the right to exercise an Option, to the extent that he or she was otherwise entitled to exercise such Option on the date employment terminated, as follows: (i) at least six months from the date of termination, if termination was caused by such Participant’s death or Disability and (ii) at least 30 days from the date of termination, if termination was caused other than by such Participant’s death or Disability.

2. **Additional Limitations For Restricted Stock Awards, Restricted Stock Units and Other Stock-Based Awards.** The terms of all Restricted Stock Awards, Restricted Stock Units and Other Stock-Based Awards granted to California Participants shall comply, to the extent applicable, with Section 260.140.41 or Section 260.140.42 of the California Code of Regulations.

3. **Adjustments.** The Administrator will make such adjustments to an Award held by a California Participant as may be required by Section 260.140.41 or Section 260.140.42 of the California Code of Regulations.

4. **Additional Requirement To Provide Information To California Participants.** To the extent required by Section 260.140.46 of the California Code of Regulations, the Company shall provide to each California Participant and to each California Participant who acquires Common Stock pursuant to the Plan, not less frequently than annually, copies of annual financial statements (which need not be audited). The Company shall not be required to provide such statements to key persons whose duties in connection with the Company assure their access to equivalent information. In addition, this information requirement shall not apply to the Plan to the extent that it complies with all conditions of Rule 701 of the Securities Act (“**Rule 701**”) as determined by the Administrator; provided that for purposes of determining such compliance, any registered domestic partner shall be considered a “family member” as that term is defined in Rule 701.

5. Shareholder Approval; Additional Limitations On Timing Of Awards. The Plan will be submitted for the approval of the Company's shareholders within twelve (12) months after the date of the Board's adoption of the Plan. Awards may be granted or awarded prior to such shareholder approval; provided that no Award granted to a California Participant shall become exercisable, vested or realizable, as applicable to such Award, unless the Plan has been approved by the Company's shareholders within twelve months before or after the date the Plan was adopted by the Administrator; and provided, further, that if such approval has not been obtained at the end of said twelve-month period, all Awards previously granted or awarded under the Plan to California Participants shall thereupon be canceled and become null and void.

AIRGAIN, INC.

2013 EQUITY INCENTIVE PLAN

STOCK OPTION GRANT NOTICE AND STOCK OPTION AGREEMENT

Airgain, Inc. (the "Company"), pursuant to its 2013 Equity Incentive Plan (the "Plan"), hereby grants to Participant an Option to purchase the number of shares of the Company's Common Stock (referred to herein as "Shares") set forth below. This Option is subject to all of the terms and conditions as set forth herein and in the Stock Option Agreement attached hereto as Exhibit A (the "Agreement") and the Plan, each of which is incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Stock Option Grant Notice ("Grant Notice") and the Agreement.

Participant: [Insert Participant Name]
Grant Date: [Insert Grant Date]
Vesting Commencement Date: [Insert Vesting Commencement Date]
Exercise Price per Share: \$[Insert Exercise Price Per Share]
Total Exercise Price: \$[Insert Aggregate Fair Market Value on Grant Date]
Total Number of Shares Subject to Option: [Insert Number of Shares]
Expiration Date: [Insert tenth anniversary of Grant Date]
Type of Option: Incentive Stock Option Non-Qualified Stock Option
Vesting Schedule: 25% of the original number of Shares subject to the shall vest on each of the first four anniversaries of the Vesting Commencement Date, subject to Participant's continued service as a Service Provider through each such vesting date, so that all of the Shares subject to the Option shall be vested on the fourth (4th) anniversary of the Vesting Commencement Date.

By his or her signature and the Company's signature below, Participant agrees to be bound by the terms and conditions of the Plan, the Agreement and this Grant Notice. Participant has reviewed the Agreement, the Plan and this Grant Notice in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of this Grant Notice, the Agreement and the Plan. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator of the Plan upon any questions arising under the Plan or the Agreement.

AIRGAIN, INC.

PARTICIPANT

By:
Print Name:
Title:

By:
Print Name:
State of
Residence:

EXHIBIT A

TO STOCK OPTION GRANT NOTICE

STOCK OPTION AGREEMENT

Pursuant to the Grant Notice to which this Agreement is attached, the Company has granted to Participant an Option under the Plan to purchase the number of Shares indicated in the Grant Notice.

1. **Grant of Option.** In consideration of Participant's past and/or continued employment with or service to the Company and for other good and valuable consideration, effective as of the Grant Date set forth in the Grant Notice, the Company irrevocably grants to Participant an Option to purchase any part or all of an aggregate of the number of Shares set forth in the Grant Notice at the Exercise Price per Share set forth in the Grant Notice, upon the terms and conditions set forth in the Plan and this Agreement.

2. **Vesting.** The Option shall become vested in such amounts and at such times as are set forth in the vesting schedule in the Grant Notice. The installments provided for in the vesting schedule are cumulative. No portion of the Option which has not become vested at the date Participant incurs a Termination of Service shall thereafter become vested, except as may be otherwise provided by the Administrator or as set forth in another written agreement between the Company and Participant.

3. **Exercise.**

(a) **Duration of Exercisability.** Any vested portion of the Option may be exercised in whole or in part at any time prior to the time when the Option or portion thereof becomes unexercisable under Section 4.

(b) **Person Eligible to Exercise.** During the lifetime of Participant, only Participant may exercise the Option or any portion thereof. After the death of Participant, any exercisable portion of the Option may, prior to the time when the Option becomes unexercisable under Section 4, be exercised by Participant's personal representative or by any person empowered to do so under the deceased Participant's will or under the then Applicable Laws of descent and distribution.

(c) **Manner of Exercise.** The Option, or any portion thereof, may be exercised solely by delivery to the Secretary of the Company or the Secretary's office, or such other place as may be determined by the Administrator, of all of the following prior to the time when the Option or such portion thereof becomes unexercisable under Section 4:

(i) A written exercise notice in substantially in the form attached as Exhibit B to the Grant Notice (or such other form as is prescribed by the Administrator, which may be an electronic form) (the "**Exercise Notice**") signed by Participant or any other person then entitled to exercise the Option or portion thereof, stating that the Option or portion thereof is thereby exercised, such Exercise Notice complying with all applicable rules established by the Administrator; and

(ii) Subject to Section 5(f) of the Plan, full payment for the Shares with respect to which the Option or portion thereof is exercised by:

(A) Cash or check, payable to the order of the Company; or

(B) With the consent of the Administrator, surrendering shares of Common Stock then issuable upon exercise of the Option valued at their Fair Market Value on the date of exercise; or

(C) On and after the date the Company becomes a Publicly Listed Company, through the (A) delivery by Participant to the Company of an irrevocable and unconditional undertaking by a creditworthy broker to deliver promptly to the Company sufficient funds to pay the exercise price or (B) delivery by Participant to the Company of a copy of irrevocable and unconditional instructions to a creditworthy broker to deliver promptly to the Company cash or a check sufficient to pay the exercise price; or

(D) With the consent of the Administrator, any other form of payment permitted under Section 5(f) of the Plan; or

(E) any combination of the above permitted forms of payment; and

(iii) Subject to Section 9(e) of the Plan, full payment for any applicable withholding taxes in cash or by check or in the form of consideration permitted by the Administrator for the payment of the exercise price pursuant to Section 3(c)(ii) above or pursuant to Section 3(d) below, which, following the date the Company becomes a Publicly Listed Company shall include the method provided for in Section 3(c)(ii)(C) above; and

(iv) In the event the Option or portion thereof shall be exercised pursuant to Section 3.1 by any person or persons other than Participant, appropriate proof of the right of such person or persons to exercise the Option.

(d) *Tax Withholding.* The Company shall have the authority and the right to deduct or withhold, or require Participant to remit to the Company, an amount sufficient to satisfy federal, state, local and foreign taxes (including Participant's employment tax obligation) required by law to be withheld with respect to any taxable event concerning Participant arising as a result of the Option or otherwise under this Agreement, including, without limitation, the authority to deduct such amounts from other compensation payable to Participant by the Company.

(e) *Fractional Shares.* The Option may only be exercised for whole shares of Common Stock. Any fractional Shares shall be rounded down to the nearest whole share.

4. ***Expiration of Option.*** The Option may not be exercised to any extent by anyone after the first to occur of the following events:

(a) The Expiration Date set forth in the Grant Notice;

(b) The expiration of three months following the date of Participant's Termination of Service, unless such Termination of Service occurs by reason of Participant's death or Disability or Participant's discharge by the Company for Cause;

(c) The expiration of one year following the date of Participant's Termination of Service by reason of Participant's death or Disability;

(d) The date of Participant's Termination of Service as a result of Participant's discharge by the Company for Cause; or

(e) With respect to any unvested portion of the Option, the date that is thirty days following Participant's Termination of Service for any reason other than as a result of Participant's discharge by the Company for Cause, or such shorter period as may be determined by the Administrator.

Participant acknowledges that an Incentive Stock Option exercised more than three months after Participant's termination of status as an Employee, other than by reason of death or Disability, will be taxed as a Non-Qualified Stock Option.

5. **Transferability.** The Option shall not be sold, assigned, transferred, pledged or otherwise encumbered by Participant, either voluntarily or by operation of law, except by will or the laws of descent and distribution, and, during the life of the Participant, the Option shall be exercisable only by the Participant.

6. **Restrictive Legends and Stop-Transfer Orders.**

(a) *Legends.* Participant understands and agrees that the Company shall cause any certificates issued evidencing the Shares to have the legends set forth below or legends substantially equivalent thereto, together with any other legends that may be required by Applicable Laws:

THE SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("ACT"), NOR HAVE THEY BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE. NO TRANSFER OF SUCH SECURITIES WILL BE PERMITTED UNLESS A REGISTRATION STATEMENT UNDER THE ACT IS IN EFFECT AS TO SUCH TRANSFER, THE TRANSFER IS MADE IN ACCORDANCE WITH RULE 144 UNDER THE ACT, OR IN THE OPINION OF COUNSEL (WHICH MAY BE COUNSEL FOR THE COMPANY) REGISTRATION UNDER THE ACT IS UNNECESSARY IN ORDER FOR SUCH TRANSFER TO COMPLY WITH THE ACT AND WITH APPLICABLE STATE SECURITIES LAWS.

THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE SHAREHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY. SUCH TRANSFER RESTRICTIONS ARE BINDING ON TRANSFEREES OF THESE SHARES.

(b) *Stop Transfer Orders.* Participant agrees that, in order to ensure compliance with the restrictions referred to in the Plan and this Agreement, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) *Impermissible Transfers Void.* The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

7. **Taxes.** Participant understands that Participant may suffer adverse tax consequences as a result of Participant's purchase or disposition of the Shares. Participant represents that Participant has consulted with any tax consultants Participant deems advisable in connection with the purchase or disposition of the Shares and that Participant is not relying on the Company for any tax advice. Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. Participant understands that Participant (and not the Company) shall be responsible for Participant's tax liability that may arise as a result of the transactions contemplated by this Agreement.

8. **Miscellaneous.**

(a) *No Right To Employment or Other Status.* No person shall have any claim or right to be granted an Award, and the grant of an Award shall not be construed as giving a Participant the right to continued employment or any other relationship with the Company. The Company expressly reserves the right at any time to dismiss or otherwise terminate its relationship with a Participant free from any liability or claim under the Plan or this Agreement.

(b) *Notices.* Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of the Secretary of the Company at the Company's principal office or to the then-current email address for the Secretary of the Company, and any notice to be given to Participant shall be addressed to Participant at the most-recent physical or email address for Participant listed in the Company's personnel records. By a notice given pursuant to this Section 8(b), either party may hereafter designate a different address for notices to be given to that party. Any notice which is required to be given to Participant shall, if Participant is then deceased, be given to the person entitled to exercise his or her Option by written notice under this Section 8(b). Any notice shall be deemed duly given when sent via email or when sent by certified mail (return receipt requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

(c) *Successors and Assigns.* The Company may assign any of its rights under this Agreement and the Exercise Notice to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon Participant and his or her heirs, executors, administrators, successors and assigns.

(d) *Severability.*

In the event any portion of the Plan or this Agreement or any action taken pursuant hereto shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan and this Agreement, and the Plan and this Agreement shall be construed and enforced as if the illegal or invalid provisions had not been included, and the illegal or invalid action shall be null and void.

(e) *Entire Agreement; Governing Documents.*

The Plan, the Grant Notice and this Agreement (including all Exhibits thereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof. In the event of any contradiction between the Plan and any Award Agreement or any other written agreement between a Participant and the Company that has been approved by the Administrator, the terms of the Plan shall govern, unless it is

expressly specified in such Award Agreement or other written document that a specific provision of the Plan shall not apply.

(f) *Governing Law.* The provisions of the Plan and all Awards made thereunder, including the Option, shall be governed by and interpreted in accordance with the laws of the State of California, disregarding choice-of-law principles of the law of any state that would require the application of the laws of a jurisdiction other than such state.

(g) *Titles and Headings.* The titles and headings of the Sections in this Agreement are for convenience of reference only and, in the event of any conflict, the text of this Agreement, rather than such titles or headings, shall control.

EXHIBIT B

TO STOCK OPTION GRANT NOTICE

FORM OF EXERCISE NOTICE

Effective as of today, _____, the undersigned ("**Participant**") hereby elects to exercise Participant's option to purchase _____ Shares of Airgain, Inc. (the "**Company**") under and pursuant to the Airgain, Inc. 2013 Equity Incentive Plan (the "**Plan**") and the Stock Option Grant Notice and Stock Option Agreement dated _____, (the "**Agreement**"). Capitalized terms used herein without definition shall have the meanings given in the Agreement.

Grant Date:

Number of Shares as to which Option is Exercised:

Exercise Price per Share: \$ _____

Total Exercise Price: \$ _____

Certificate to be issued in name of:

Cash Payment delivered herewith: \$ _____ (Representing the full Exercise Price for the Shares, as well as any applicable withholding tax)

Type of Option: Incentive Stock Option Non-Qualified Stock Option

1. **Representations of Participant.** Participant acknowledges that Participant has received, read and understood the Plan and the Agreement. Participant agrees to abide by and be bound by their terms and conditions. Participant further acknowledges that it is a condition to the issuance of the Shares to Participant upon exercise of the Option listed above that Participant agree to be bound by the terms and conditions of, and become a party to, any shareholders' agreement of the Company. Participant hereby agrees to be so bound and to execute any additional documents as may be deemed necessary or advisable by the Company in order to effectuate the foregoing agreement.

2. **Tax Consultation.** Participant understands that Participant may suffer adverse tax consequences as a result of Participant's purchase or disposition of the Shares. Participant represents that Participant has consulted with any tax consultants Participant deems advisable in connection with the purchase or disposition of the Shares and that Participant is not relying on the Company for any tax advice. Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. Participant understands that Participant (and not the Company) shall be responsible for Participant's tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement.

3. **Participant Representations.** Participant hereby makes the following certifications and representations with respect to the Shares listed above:

(a) Participant is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Shares. Participant is acquiring these Shares for investment for Participant's own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act.

(b) Participant acknowledges and understands that the Shares constitute “restricted securities” under the Securities Act and have not been registered under the Securities Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Participant’s investment intent as expressed herein. Participant understands that the Shares must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Participant further acknowledges and understands that the Company is under no obligation to register the Shares. Participant understands that the certificate evidencing the Shares will be imprinted with a legend which prohibits the transfer of the Shares unless they are registered or such registration is not required in the opinion of counsel satisfactory to the Company and any other legend required under Applicable Laws.

(c) Participant is familiar with the provisions of Rule 701 and Rule 144, each promulgated under the Securities Act, which, in substance, permit limited public resale of “restricted securities” acquired, directly or indirectly from the issuer thereof, in a non-public offering subject to the satisfaction of certain conditions. Rule 701 provides that if the issuer qualifies under Rule 701 at the time of the grant of the Option to Participant, the exercise will be exempt from registration under the Securities Act. In the event the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, ninety days thereafter (or such longer period as any market stand-off agreement may require) the securities exempt under Rule 701 may be resold, subject to the satisfaction of certain of the conditions specified by Rule 144.

(d) In the event that the Company does not qualify under Rule 701 at the time of grant of the Option, then the securities may be resold in certain limited circumstances subject to the provisions of Rule 144.

(e) Participant further understands that in the event all of the applicable requirements of Rule 701 or 144 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption will be required; and that, notwithstanding the fact that Rules 144 and 701 are not exclusive, the Staff of the Securities and Exchange Commission has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rules 144 or 701 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 their respective brokers who participate in such transactions do so at their own risk. Participant understands that no assurances can be given that any such other registration exemption will be available in such event.

4. **Notices.** Any notice required or permitted hereunder shall be given in accordance with the provisions set forth in Section 8(b) of the Agreement.

5. **Entire Agreement.** The Plan and Agreement are incorporated herein by reference. This Notice, the Plan and the Agreement constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

**ACCEPTED BY:
AIRGAIN, INC.**

By: _____
Print Name: _____
Title: _____

**SUBMITTED BY
PARTICIPANT:**

By: _____
Print Name: _____

AIRGAIN, INC.

2013 EQUITY INCENTIVE PLAN

RESTRICTED STOCK GRANT NOTICE AND RESTRICTED STOCK AGREEMENT

Airgain, Inc. (the "Company"), pursuant to its 2013 Equity Incentive Plan (the "Plan"), hereby grants to Participant the number of shares of the Company's Common Stock (referred to herein as "Shares") set forth below. This Restricted Stock award (this "Award") is subject to all of the terms and conditions as set forth herein and in the Restricted Stock Agreement attached hereto as Exhibit A (the "Agreement") and the Plan, each of which is incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Restricted Stock Grant Notice ("Grant Notice") and the Agreement.

Participant: Charles A. Myers
Grant Date: March 1, 2014
Total Number of Shares of Restricted Stock: 2,609,240
Vesting Schedule: 1,630,775 of the Shares shall be fully vested as of the Grant Date, and 163,077 of the Shares shall vest and be released from the Company's Forfeiture Restriction (as defined in the Agreement) on each of December 31, 2013, March 31, 2014, June 30, 2014, September 30, 2014, and December 31, 2014 and 163,080 of the Shares shall vest on March 31, 2015, in each case subject to Participant not having experienced a Termination of Service prior to such vesting date.
Notwithstanding the foregoing, the Shares shall become fully vested and released from the Company's Forfeiture Restriction in the event of (a) Participant's death, (b) Participant's termination of employment by reason of his Disability (as defined in that certain Employment Agreement effective as of October 28, 2013, between Participant and the Company (the "Employment Agreement")), (c) Participant's termination of employment by the Company without Cause (as defined in the Employment Agreement), or (d) Participant's Resignation for Good Reason (as defined in the Employment Agreement).

By his or her signature and the Company's signature below, Participant agrees to be bound by the terms and conditions of the Plan, the Agreement and this Grant Notice. Participant has reviewed the Agreement, the Plan and this Grant Notice in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of this Grant Notice, the Agreement and the Plan. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator of the Plan upon any questions arising under the Plan or the Agreement. If Participant is married, his or her spouse has signed the Consent of Spouse attached to this Grant Notice as Exhibit B.

AIRGAIN, INC.

By: /s/ James K. Sims
Print Name: James K. Sims
Title: Chairman

PARTICIPANT

By: /s/ Charles A. Myers
Print Name: Charles A. Myers
State of
Residence: California

EXHIBIT A

TO RESTRICTED STOCK GRANT NOTICE

RESTRICTED STOCK AGREEMENT

Pursuant to the Grant Notice to which this Agreement is attached, the Company has granted to Participant the number of Shares indicated in the Grant Notice.

1. Grant of Restricted Stock.

(a) *Grant of Restricted Stock.* In consideration of Participant's past and/or continued employment with or service to the Company and for other good and valuable consideration, effective as of the Grant Date set forth in the Grant Notice, the Company irrevocably grants to Participant the Shares set forth in the Grant Notice, upon the terms and conditions set forth in the Plan and this Agreement.

(b) *Issuance of Shares.* On the Grant Date, the Company shall issue the Shares to Participant and shall (i) cause a share certificate or certificates representing the Shares to be registered in the name of Participant, or (ii) cause such Shares to be held in book entry form. If a share certificate is issued, it shall be delivered to and held in custody by the Company and shall bear the restrictive legends required by Section 4(a) below. If the Shares are held in book entry form, then such entry will reflect that the Shares are subject to the restrictions of this Agreement.

(c) *Rights as Shareholder.* Except as otherwise provided herein, upon issuance of the Shares by the Company to Participant, Participant shall have all the rights of a shareholder with respect to said Shares, subject to the restrictions herein, including the right to vote the Shares and to receive all dividends or other distributions paid or made with respect to the Shares; *provided, however*; that any and all cash dividends paid on such Shares and any and all shares of Common Stock, capital stock or other securities received by or distributed to Participant with respect to the Shares as a result of any share dividend, stock split, reverse stock split, recapitalization, combination, reclassification, or similar change in the capital structure of the Company ("**Distributions**") shall also be subject to the Forfeiture Restriction (as defined in Section 2(a) below) and the restrictions on transfer in Section 2(c) below until such restrictions on the underlying Shares lapse or are removed pursuant to this Agreement (at which point such portion of the Distributions held by the Company that was paid on those Shares as to which the Forfeiture Restriction and transfer restrictions lapse or are removed shall also be released to Participant (provided that in no event shall more than 100% of the Distributions be paid to Participant)) and any other Distributions shall be forfeited at such time as the corresponding Shares are forfeited by Participant pursuant to this Agreement.

2. Restrictions on Shares.

(a) *Forfeiture Restriction.* Subject to the provisions of Section 2(b) below, in the event of Participant's Termination of Service for any reason, all of the Shares which, from time to time, have not yet been released from the Forfeiture Restriction (together with and any Distributions paid thereon pursuant to Section 1(c) and held by the Company, the "**Unreleased Shares**") shall thereupon be forfeited immediately and without any further action by the Company (the "**Forfeiture Restriction**"). Upon the occurrence of such forfeiture, the Company shall become the legal and beneficial owner of the Unreleased Shares and all rights and interests therein or relating thereto, and the Company shall have the right to retain and transfer to its own name the number of Unreleased Shares being forfeited by Participant. The Unreleased Shares shall be held by the Company in accordance with Section 3 until the Shares are forfeited as provided in this Section 2(a), until such Unreleased Shares are fully released from

the Forfeiture Restriction, or until such time as this Agreement no longer is in effect. Participant hereby authorizes and directs the Secretary of the Company, or such other person designated by the Administrator, to transfer the Unreleased Shares which have been forfeited pursuant to this Section 2(a) from Participant to the Company.

(b) *Release of Shares from Forfeiture Restriction.* The Shares shall be released from the Forfeiture Restriction in accordance with the vesting schedule set forth in the Grant Notice. As soon as administratively practicable following the release of any Shares from the Forfeiture Restriction, the Company shall, as applicable, either deliver to Participant the certificate or certificates representing such Shares in the Company's possession belonging to Participant, or, if the Shares are held in book entry form, then the Company shall remove the notations on the book form. Participant (or the beneficiary or personal representative of Participant in the event of Participant's death or incapacity, as the case may be) shall deliver to the Company any representations or other documents or assurances as the Company or its representatives deem necessary or advisable in connection with any such delivery.

(c) *Transferability.* The Unreleased Shares shall not be sold, assigned, transferred, pledged or otherwise encumbered by Participant, either voluntarily or by operation of law, except by will or the laws of descent and distribution.

3. *Escrow of Shares.* The Unreleased Shares shall be held by the Company until the Shares are forfeited as provided in Section 2(a), until such Unreleased Shares are fully released from the Forfeiture Restriction, or until such time as this Agreement no longer is in effect. In such event, Participant shall not retain physical custody of any certificates representing Unreleased Shares issued to Participant. Participant, by acceptance of this Award, shall be deemed to appoint, and does so appoint, the Company and each of its authorized representatives as Participant's attorney(s)-in-fact to effect any transfer of forfeited Unreleased Shares to the Company as may be required pursuant to the Plan or this Agreement, and to execute such representations or other documents or assurances as the Company or such representatives deem necessary or advisable in connection with any such transfer. The Company, or its designee, shall not be liable for any act it may do or omit to do with respect to holding the Shares in escrow and while acting in good faith and in the exercise of its judgment.

4. *Restrictive Legends and Stop-Transfer Orders.*

(a) *Legends.* Participant understands and agrees that the Company shall cause any certificates issued evidencing the Shares to have the legends set forth below or legends substantially equivalent thereto, together with any other legends that may be required by Applicable Laws:

THE SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("ACT"), NOR HAVE THEY BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE. NO TRANSFER OF SUCH SECURITIES WILL BE PERMITTED UNLESS A REGISTRATION STATEMENT UNDER THE ACT IS IN EFFECT AS TO SUCH TRANSFER, THE TRANSFER IS MADE IN ACCORDANCE WITH RULE 144 UNDER THE ACT, OR IN THE OPINION OF COUNSEL (WHICH MAY BE COUNSEL FOR THE COMPANY) REGISTRATION UNDER THE ACT IS UNNECESSARY IN ORDER FOR SUCH TRANSFER TO COMPLY WITH THE ACT AND WITH APPLICABLE STATE SECURITIES LAWS.

THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE SHAREHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY. SUCH TRANSFER RESTRICTIONS ARE BINDING ON TRANSFEREES OF THESE SHARES.

(b) *Stop Transfer Orders.* Participant agrees that, in order to ensure compliance with the restrictions referred to in the Plan and this Agreement, the Company may issue appropriate “stop transfer” instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) *Impermissible Transfers Void.* The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

5. *Taxes.*

(a) *Tax Representation.* Participant has reviewed with Participant’s own tax advisors the federal, state, local and foreign tax consequences of this investment and the transactions contemplated by the Grant Notice and this Agreement. Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. Participant understands that Participant (and not the Company) shall be responsible for Participant’s tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement. Participant understands that Participant will recognize ordinary income for federal income tax purposes under Section 83 of the Code as and when the Forfeiture Restriction lapses. Participant understands that Participant may elect to be taxed for federal income tax purposes at the time the Shares are issued to Participant rather than as and when the Forfeiture Restriction lapses by filing an election under Section 83(b) of the Code with the Internal Revenue Service within thirty days from the date of purchase.

PARTICIPANT ACKNOWLEDGES THAT IT IS PARTICIPANT’S SOLE RESPONSIBILITY AND NOT THE COMPANY’S TO TIMELY FILE THE ELECTION UNDER SECTION 83(b), AND THE COMPANY AND ITS REPRESENTATIVES SHALL HAVE NO OBLIGATION OR AUTHORITY TO MAKE THIS FILING ON PARTICIPANT’S BEHALF.

(b) *Tax Withholding.* Notwithstanding anything to the contrary in this Agreement, the Company shall be entitled to require payment of any sums required by federal, state and local income and employment, social security or payroll tax law to be withheld with respect to the issuance, lapsing of restrictions on or sale of the Shares. The Company may withhold or the Participant may make such payment in one or more of the forms specified below:

(i) by cash or check made payable to the Company;

(ii) by the deduction of such amount from other compensation payable to Participant;

(iii) with respect to any withholding taxes arising in connection with the vesting of the Shares, and with the consent of the Administrator, by requesting that the Company withhold a net number of vested Shares otherwise deliverable pursuant to this Agreement having a then

current Fair Market Value not exceeding the amount necessary to satisfy the withholding obligation of the Company based on the minimum applicable statutory withholding rates for federal, state and local income tax and payroll tax purposes;

(iv) with respect to any withholding taxes arising in connection with the vesting of the Shares, and with the consent of the Administrator, by tendering vested shares of Common Stock owned by Participant having a then current Fair Market Value not exceeding the amount necessary to satisfy the withholding obligation of the Company based on the minimum applicable statutory withholding rates for federal, state and local income tax and payroll tax purposes; or

(v) in any combination of the foregoing.

In the event Participant fails to provide timely payment of all sums required pursuant to this Section 5(b), the Company shall have the right and option, but not the obligation, to treat such failure as an election by Participant to satisfy all or any portion of Participant's required payment obligation pursuant to Section 5(b)(ii) or (iii) above. The Company shall not be obligated to deliver any share certificate representing vested Shares to Participant or Participant's legal representative, or, if the Shares are held in book entry form, to remove the notations on the book form, unless and until Participant or Participant's legal representative shall have paid or otherwise satisfied in full the amount of all federal, state and local taxes applicable to the taxable income of Participant resulting from the issuance, lapsing of restrictions on or sale of the Shares.

6. Participant Representations. Participant hereby makes the following certifications and representations with respect to the Shares listed above:

(a) Participant is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Shares. Participant is acquiring these Shares for investment for Participant's own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act.

(b) Participant acknowledges and understands that the Shares constitute "restricted securities" under the Securities Act and have not been registered under the Securities Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Participant's investment intent as expressed herein. Participant understands that the Shares must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Participant further acknowledges and understands that the Company is under no obligation to register the Shares. Participant understands that the certificate evidencing the Shares will be imprinted with a legend which prohibits the transfer of the Shares unless they are registered or such registration is not required in the opinion of counsel satisfactory to the Company and any other legend required under Applicable Laws.

(c) Participant is familiar with the provisions of Rule 701 and Rule 144, each promulgated under the Securities Act, which, in substance, permit limited public resale of "restricted securities" acquired, directly or indirectly from the issuer thereof, in a non-public offering subject to the satisfaction of certain conditions. In the event the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, ninety days thereafter (or such longer period as any market stand-off agreement may require) the securities exempt under Rule 701 may be resold, subject to the satisfaction of certain of the conditions specified by Rule 144.

(d) In the event that the Company does not qualify under Rule 701 at the time of issuance of the Shares, then the securities may be resold in certain limited circumstances subject to the provisions of Rule 144.

(e) Participant further understands that in the event all of the applicable requirements of Rule 701 or 144 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption will be required; and that, notwithstanding the fact that Rules 144 and 701 are not exclusive, the Staff of the Securities and Exchange Commission has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rules 144 or 701 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 their respective brokers who participate in such transactions do so at their own risk. Participant understands that no assurances can be given that any such other registration exemption will be available in such event.

7. Miscellaneous.

(a) *Adjustment for Corporate Transactions.* In the event of any share dividend, stock split, reverse stock split, recapitalization, combination, reclassification, or similar change in the capital structure of the Company, the Administrator shall make appropriate and equitable adjustments in the Unreleased Shares consistent with any adjustment under Section 8 of the Plan. The provisions of this Agreement shall apply, to the full extent set forth herein with respect to the Shares, to any and all shares of capital stock or other securities or other property, cash or Distributions which may be issued in respect of, in exchange for, or in substitution of the Shares, and shall be appropriately adjusted for any share dividends, splits, reverse splits, combinations, recapitalizations and the like occurring after the date hereof.

(b) *No Right To Employment or Other Status.* No person shall have any claim or right to be granted an Award, and the grant of an Award shall not be construed as giving a Participant the right to continued employment or any other relationship with the Company. The Company expressly reserves the right at any time to dismiss or otherwise terminate its relationship with a Participant free from any liability or claim under the Plan or this Agreement.

(c) *Notices.* Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of the Secretary of the Company at the Company's principal office or to the then-current email address for the Secretary of the Company, and any notice to be given to Participant shall be addressed to Participant at the most-recent physical or email address for Participant listed in the Company's personnel records. By a notice given pursuant to this Section 7(c), either party may hereafter designate a different address for notices to be given to that party. Any notice shall be deemed duly given when sent via email or when sent by certified mail (return receipt requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

(d) *Successors and Assigns.* The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon Participant and his or her heirs, executors, administrators, successors and assigns.

(e) *Severability.* In the event any portion of the Plan or this Agreement or any action taken pursuant hereto shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan and this Agreement, and the Plan and this Agreement shall be

construed and enforced as if the illegal or invalid provisions had not been included, and the illegal or invalid action shall be null and void.

(f) *Entire Agreement; Governing Documents.* The Plan, the Grant Notice and this Agreement (including all Exhibits thereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof. In the event of any contradiction between the Plan and any Award Agreement or any other written agreement between a Participant and the Company that has been approved by the Administrator, the terms of the Plan shall govern, unless it is expressly specified in such Award Agreement or other written document that a specific provision of the Plan shall not apply.

(g) *Governing Law.* The provisions of the Plan and all Awards made thereunder, including the Shares, shall be governed by and interpreted in accordance with the laws of the State of California, disregarding choice-of-law principles of the law of any state that would require the application of the laws of a jurisdiction other than such state.

(h) *Titles and Headings.* The titles and headings of the Sections in this Agreement are for convenience of reference only and, in the event of any conflict, the text of this Agreement, rather than such titles or headings, shall control.

EXHIBIT B

TO RESTRICTED STOCK GRANT NOTICE

CONSENT OF SPOUSE

I, _____, spouse of Charles A. Myers, have read and approve the foregoing Restricted Stock Grant Notice and Restricted Stock Agreement (the "Agreement"). In consideration of issuing to my spouse the shares of the Common Stock of Airgain, Inc., a California corporation (the "*Company*"), set forth in the Agreement, I hereby appoint my spouse as my attorney-in-fact in respect to the exercise of any rights under the Agreement and agree to be bound by the provisions of the Agreement insofar as I may have any rights in said Agreement or any shares of the common stock of the Company issued pursuant thereto under the community property laws or similar laws relating to marital property in effect in the state of our residence as of the date of the signing of the foregoing Agreement.

Dated: _____,

Signature of Spouse: _____

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT ("Agreement"), effective as of October 28, 2013 (the "Effective Date"), is made by and between AIRGAIN, INC. (the "Company"), and CHARLES A. MYERS ("Employee").

WHEREAS, since April 28, 2011, Employee has been employed by the Company as its Chief Executive Officer and President;

WHEREAS, the Board of Directors of the Company (the "Board") has determined that it is in the best interests of the Company and its shareholders to continue to employ Employee as the Company's Chief Executive Officer and President under revised terms and conditions; and

WHEREAS, Employee desires to continue as the Company's Chief Executive Officer and President and to accept such revised terms and conditions of employment as are contained in this Agreement.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein and for other good and valuable consideration, the receipt of which is mutually acknowledged, the Company and Employee (individually a "Party" and together the "Parties") agree as follows:

AGREEMENT

1. Effective Date.

Employee's employment under the terms of this Agreement shall commence on the Effective Date.

2. At-will Employment.

Employee's employment relationship with the Company under this Agreement ("Employment") is at-will, terminable at any time and for any reason by either the Company or Employee. While certain sections of this Agreement describe events that could occur at a particular time in the future, nothing in this Agreement shall be construed as a guarantee of employment of any length.

3. Employment Duties.

a. Title/Responsibilities. Employee shall be the Chief Executive Officer and President of the Company. Employee shall perform all of the duties and responsibilities of such offices set forth in the Bylaws of the Company and those commonly associated with such offices and such further duties and responsibilities as may from time to time be assigned to him by the Board. In addition, as long as Employee remains employed with the Company, the Company will cause Employee to be nominated for re-election as a member of the Board at the expiration of each term of office.

b. Full-Time Attention. Employee shall devote his full time, attention, energy and skills to the Company during the period he is employed under this Agreement. Notwithstanding anything in this Agreement to the contrary, Employee may spend a reasonable amount of time, which does not materially interfere with his duties to the Company, to serve as a director of one or more other entities which do not directly conflict or compete with the

business of the Company.

c. Policy Compliance. Employee shall comply with all of the Company's policies, practices and procedures, as well as, all applicable laws. Employee has previously executed and delivered to the Company the Confidentiality and Inventions Assignment Agreement (the "Confidentiality and Inventions Assignment Agreement") attached hereto as Exhibit 1.

4. Compensation.

a. Base Salary. The Company shall pay Employee a base salary of \$25,833.33 per month, or such higher amount as the Board may determine from time to time, less applicable federal and state withholding taxes, in accordance with the Company's regular payroll practices (the "Base Salary").

b. Annual Bonus Compensation. In addition to the Base Salary, Employee will be eligible to receive an incentive bonus (the "Bonus") at an initial target for CY 2014 of 75% of Base Salary. Bonus metrics for each calendar year shall be mutually agreed upon within thirty (30) days of start of such year.

c. Stock Grant. As soon as practicable following the execution of this Agreement, the Company shall issue 2,609,240 shares of its common voting stock to Employee (which number of shares is equal to five percent (5%) percent of the outstanding common voting stock authorized and issued by the Company (calculated on a fully-diluted basis) as of the date of execution of this Agreement) (the "Stock Grant"). The Stock Grant shall initially be subject to forfeiture upon Employee's termination of employment, but shall be released from the forfeiture restriction as follows: sixty-eight and three-quarters percent (68.75%) of the shares subject to the Stock Grant shall be fully vested and not subject to the forfeiture restriction on the date of grant, and six and one-quarter percent (6.25%) of the shares subject to the Stock Grant shall vest on each of March 31, 2014, June 30, 2014, September 30, 2014, December 31, 2014 and March 31, 2015. Notwithstanding the foregoing, the Stock Grant shall become fully vested, and the forfeiture restriction shall lapse, in the event of (i) Employee's death, (ii) Employee's termination of employment by reason of his Disability (as defined below), (iii) Employee's termination of employment by the Company without Cause (as defined below), or (iv) Employee's Resignation for Good Reason (as defined below). The Company shall loan Employee up to \$266,282 for the payment of federal and state income taxes payable by Employee as a result of the issuance of the Stock Grant and any filing by Employee under Section 83(b) of the Internal Revenue Code of 1986, as amended (the "Code"), in connection therewith. The loan will be evidenced by a Promissory Note (the "Note") in substantially the form of Exhibit 2 attached hereto, and the shares subject to the Stock Grant will be pledged as security for repayment of the Note pursuant to a Pledge Agreement (the "Pledge Agreement") in substantially the form of Exhibit 3 attached hereto.

d. Retention Bonus. The Employee shall be entitled to receive a one-time cash retention bonus (the "Retention Bonus") in the amount of \$500,000 on the date of the initial public offering of the Company's common stock (the "IPO"), provided Employee continues to be an employee of the Company through such date. In the event of (i) Employee's death, (ii) Employee's termination of employment by reason of his Disability, (iii) Employee's termination of employment by the Company without Cause, or (iv) Employee's Resignation for Good Reason, subject to Employee's execution and non-revocation of a full and final Release (as defined in Section 9 below) (which Release requirement shall not apply in the event of Employee's death), and Employee's continued compliance with the Confidentiality and Inventions Assignment Agreement, the Retention Bonus shall be paid to Employee (or his

estate, if applicable) in a lump sum on the date that is thirty (30) days following the date of termination. In addition, in the event of a Change in Control (as defined below) prior to the date of the IPO, Employee shall be entitled to receive the Retention Bonus on the date of such Change in Control.

e. Change in Control Bonus. Employee shall be entitled to receive certain additional compensation upon a Change in Control of the Company, as set forth in Exhibit 4.

f. Additional Equity Awards. Employee shall be entitled to participate in any equity or other employee benefit plan that is generally available to senior executive officers, as distinguished from general management, of the Company. Except as otherwise provided in this Agreement, Employee's participation in and benefits under any such plan shall be on the terms and subject to the conditions specified in the governing document of the particular plan.

g. Employee Benefits. Employee shall be entitled to participate in all employee benefit plans, programs and arrangements maintained by the Company and made available to employees generally, including, without limitation, bonus, retirement, profit sharing and savings plans and medical, disability, dental, life and accidental death and dismemberment insurance plans. Employee's participation in the Company's health and welfare plans, programs and arrangements shall be provided at Company expense, and shall include a family PPO plan. In addition, Employee shall be entitled to the following additional benefits which are exclusive to Employee with an aggregate annual cost not to exceed \$20,000: (i) annual executive medical program; (ii) health club dues/personal trainer; and (iii) reimbursement of monthly vehicle payment, plus the costs of maintenance and operation of such vehicle.

h. Reimbursement of Expenses. During his Employment with the Company, Employee shall be entitled to reimbursement for all reasonable and necessary business expenses incurred on behalf of the Company, including without limitation, travel and entertainment expenses, business supplies and communication expenses, in accordance with the Company's policies and procedures.

5. Voluntary Resignation or Termination for "Cause."

a. Payment upon Voluntary Resignation other than for Good Reason or Termination for Cause. If Employee voluntarily resigns his Employment other than for Good Reason or if Employee is terminated for Cause, the Company shall pay Employee the following: (i) all accrued and unpaid Base Salary, if any is due, through the date of termination and any vacation which is accrued but unused as of such date; (ii) Employee's business expenses that are reimbursable pursuant to this Agreement and Company policies, but which have not been reimbursed by the Company as of the date of termination; and (iii) the Employee's Bonus compensation for the calendar year immediately preceding the year in which the date of termination occurs if such Bonus has been determined but not paid as of the date of termination (payable at the time such Bonus would otherwise have been paid to Employee, but in no event later than March 15 of the year in which the date of termination occurs) (collectively, the "Accrued Obligations"). Employee shall not be eligible for severance payments under Sections 6, 7 or 8 below, or any continuation of benefits (other than as required by law), or any other compensation pursuant to this Agreement or otherwise.

b. Definition of "Cause." As set forth above, the employment relationship between the Parties is at-will, terminable at any time by either Party for any reason or no reason. The termination may nonetheless be for "Cause". For purposes of this Agreement, "Cause" is defined as the Company's good faith determination of: (i) Employee's material breach of this

Agreement or the Confidentiality and Inventions Assignment Agreement or the definitive agreements relating to the Stock Grant referenced in Section 4(c) above; (ii) Employee's continued substantial and material failure or refusal to perform according to, or to comply with, the policies, procedures or practices established by the Company; (iii) the appropriation (or attempted appropriation) of a material business opportunity of the Company, including attempting to secure or securing any personal profit in connection with any transaction entered into on behalf of the Company; (iv) the misappropriation (or attempted appropriation) of any of the Company's funds or property of any kind; (v) willful gross misconduct; or (vi) Employee's conviction of a felony involving moral turpitude that is likely to inflict or has inflicted material injury on the business of the Company; provided, however, that except for Cause being the result of item (vi) above, the Company shall provide written notice to Employee, which notice specifically identifies the nature of the alleged Cause claimed by the Company with enough specificity for Employee to be able to cure, and Employee shall thereafter have fifteen (15) days to cure the purported ground(s) for Cause.

c. Definition of "Good Reason". For purposes of this Agreement, "Good Reason" and "Resignation for Good Reason" are defined as:

- i. a material reduction in Employee's authority, duties or responsibilities relative to Employee's authority, duties or responsibilities in effect immediately prior to such reduction; as set forth in this Agreement;
- ii. the assignment to Employee of any duties materially inconsistent with his status as an executive officer of the Company;
- iii. a material reduction by the Company in Employee's target cash compensation relative to Employee's target cash compensation in effect immediately prior to such reduction (and the Parties agree that a reduction of thirty percent (30%) or more will be considered material for purposes of this clause (iii));
- iv. a relocation of Employee's or the Company's principal executive offices to a location outside of San Diego County, if Employee's principal office is at such offices; or
- v. the Company's material breach of this Agreement;

provided, however, that Employee must provide written notice to the Board of the condition that could constitute a "Good Reason" event within ninety (90) days of the initial existence of such condition and such condition must not have been remedied by the Company within thirty (30) days (the "Cure Period") of such written notice. Employee's Resignation for Good Reason must occur within six (6) months following the initial existence of such condition.

6. Termination Without "Cause" or "Resignation for Good Reason". In the event Employee is terminated without Cause or resigns for Good Reason, Employee shall be entitled to:

- a. the Accrued Obligations; plus

b. subject to Employee's execution and non-revocation of a full and final Release and Employee's continued compliance with the Confidentiality and Inventions Assignment Agreement, severance pay in an amount equal to the sum of (i) twelve (12) months' Base Salary as in effect immediately prior to the date of termination, plus (ii) an amount equal to Employee's "earned" Bonus for the calendar year during which Employee's date of termination occurs calculated as of the date of termination (wherein "earned" means that Employee has met the applicable bonus metrics as of date of such termination, as determined by the Board), prorated for such portion of the calendar year during which such termination occurs that has elapsed through the date of termination, payable in a lump sum on the date that is thirty (30) days following the date of termination; plus

c. subject to Employee's execution and non-revocation of a full and final Release and Employee's continued compliance with the Confidentiality and Inventions Assignment Agreement, for the period beginning on the date of Employee's termination of employment and ending on the date which is twelve (12) full months following the date of Employee's termination of employment (or, if earlier, the date on which the applicable continuation period under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") expires) (the "COBRA Coverage Period"), the Company shall arrange to provide Employee and his eligible dependents who were covered under the Company's health insurance plans as of the date of Employee's termination of employment with health (including medical and dental) insurance benefits substantially similar to those provided to Employee and his dependents immediately prior to the date of such termination. If the Company is not reasonably able to continue health insurance benefits coverage under the Company's insurance plans, the Company shall provide substantially equivalent coverage under other third-party insurance sources. If any of the Company's health benefits are self-funded as of the date of Employee's termination of employment, or if the Company cannot provide the foregoing benefits in a manner that is exempt from or otherwise compliant with applicable law (including, without limitation, Section 409A of the Code and Section 2716 of the Public Health Service Act), instead of providing continued health insurance benefits as set forth above, the Company shall instead pay to Employee an amount equal to the monthly premium payment for Employee and his eligible dependents who were covered under the Company's health plans as of the date of Employee's termination of employment (calculated by reference to the premium as of the date of termination) as currently taxable compensation in substantially equal monthly installments over the COBRA Coverage Period (or the remaining portion thereof); plus

d. subject to Employee's execution and non-revocation of a full and final Release and Employee's continued compliance with the Confidentiality and Inventions Assignment Agreement, an amount equal to (1) twelve (12) multiplied by (2) the monthly premium payable by Employee (or by the Company on behalf of Employee) for disability insurance under the Company's disability insurance plans in which Employee was participating immediately prior to the date of termination, payable in a lump sum on the date that is thirty (30) days following the date of termination.

7. Employee's Disability or Death. Employee's Employment shall terminate automatically in the event of Employee's death or termination of employment by reason of his "Disability." In the event of Employee's death or termination of employment as a result of Employee's Disability, Employee or his heirs shall be entitled to (a) the Accrued Obligations, plus (b) payment of an amount equal to Employee's "earned" Bonus for the calendar year during which Employee's date of termination occurs calculated as of the date of termination (wherein "earned" means that Employee has met the applicable bonus metrics as of date of such termination, as determined by the Board), prorated for such portion of the calendar year during which such termination occurs that has elapsed through the date of termination, payable in

a lump sum on the date that is thirty (30) days following the date of termination. For purposes of this Agreement, “Disability” shall mean the Employee’s failure to perform his duties hereunder, for a period of not less than one hundred twenty (120) consecutive days because of Employee’s incapacitation due to physical or mental injury, disability, or illness.

8. Change in Control Termination.

a. Payment Upon Change in Control Termination. In the event of a “Change in Control Termination”, as defined below, Employee shall be entitled to:

- i. the Accrued Obligations; plus
- ii. subject to Employee’s execution and non-revocation of a full and final Release and Employee’s continued compliance with the Confidentiality and Inventions Assignment Agreement, severance pay in an amount equal to the sum of (A) eighteen (18) months’ Base Salary as in effect immediately prior to the date of termination, plus (B) Employee’s target Bonus for the calendar year during which such date of termination occurs, payable in a lump sum on the date that is thirty (30) days following the date of termination; plus
- iii. subject to Employee’s execution and non-revocation of a full and final Release and Employee’s continued compliance with the Confidentiality and Inventions Assignment Agreement, for the period beginning on the date of Employee’s termination of employment and ending on the date which is eighteen (18) full months following the date of Employee’s termination of employment (or, if earlier, the date on which the applicable continuation period under COBRA expires) (the “CIC COBRA Coverage Period”), the Company shall arrange to provide Employee and his eligible dependents who were covered under the Company’s health insurance plans as of the date of Employee’s termination of employment with health (including medical and dental) insurance benefits substantially similar to those provided to Employee and his dependents immediately prior to the date of such termination. If the Company is not reasonably able to continue health insurance benefits coverage under the Company’s insurance plans, the Company shall provide substantially equivalent coverage under other third-party insurance sources. If any of the Company’s health benefits are self-funded as of the date of Employee’s termination of employment, or if the Company cannot provide the foregoing benefits in a manner that is exempt from or otherwise compliant with applicable law (including, without limitation, Section 409A of the Code and Section 2716 of the Public Health Service Act), instead of providing continued health insurance benefits as set forth above, the Company shall instead pay to Employee an amount equal to the monthly premium payment for Employee and his eligible dependents who were covered under the Company’s health plans as of the date of Employee’s termination of employment (calculated by reference to the premium as of the date of termination) as currently taxable compensation in

substantially equal monthly installments over the CIC COBRA Coverage Period (or the remaining portion thereof); plus

- iv. subject to Employee's execution and non-revocation of a full and final Release and Employee's continued compliance with the Confidentiality and Inventions Assignment Agreement, an amount equal to (A) eighteen (18) multiplied by (B) the monthly premium payable by Employee (or by the Company on behalf of Employee) for disability insurance under the Company's disability insurance plans in which Employee was participating immediately prior to the date of termination, payable in a lump sum on the date that is thirty (30) days following the date of termination.

b. Definition of "Change in Control Termination". A "Change in Control Termination" occurs if Employee (i) is terminated without Cause, or (ii) terminates his employment pursuant to a Resignation for Good Reason, in each case within twelve (12) months following a "Change in Control" (as defined below). For purposes of this Agreement, a "Change in Control" means the occurrence of any of the following events:

i. Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) (other than the Company, any of its subsidiaries, or any existing shareholder of the Company) becomes the "beneficial owner" (as defined in Rule 13d-3 of the Securities and Exchange Act of 1934, as amended), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

ii. The consummation of the sale, liquidation or disposition by the Company of all or substantially all of the Company's assets;

iii. The consummation of a merger, consolidation, reorganization or other similar transaction involving the Company ("Transaction") in each case, in which the voting securities of the Company outstanding immediately prior thereto do not continue to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such Transaction; or

iv. During any period of two consecutive years, individuals who, at the beginning of such period, constitute the Board together with any new director(s) (other than a director designated by a person who shall have entered into an agreement with the Company to effect a transaction described in clause (i) or (iii) of this definition) whose election by the Board or nomination for election by the Company's shareholders was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of the two-year period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof.

In addition, if a Change in Control constitutes a payment event with respect to any payment under this Agreement which provides for the deferral of compensation and is subject to Section 409A of the Code, the transaction or event described in clause (i), (ii), (iii) or (iv) with respect to such payment must also constitute a "change in control event," as defined in Treasury Regulation Section 1.409A-3(i)(5) to the extent required by Section 409A of the Code.

9. Release. Notwithstanding any provision to the contrary in this Agreement, no amount shall be paid or benefit provided pursuant to clauses (ii), (iii) or (iv) of Section 4(d), Section 6 or Section 8 (other than the Accrued Obligations) and no accelerated vesting of the Stock Grant shall occur as a result of Employee's termination of employment pursuant to clauses (ii), (iii) or (iv) of Section 4(c) unless, on or prior to the thirtieth (30th) day following the date of Employee's termination of employment, an effective general release of claims agreement (the "Release") in substantially the form attached hereto as Exhibit 5 has been executed by Employee and remains effective on such date and any applicable revocation period thereunder has expired.

10. Notices. Any reports, notices or other communications required or permitted to be given by either Party hereto, shall be given in writing by personal delivery, overnight courier service, or by registered or certified mail, postage prepaid, return receipt requested, addressed to each respective Party at the address shown below:

If to Company:

AIRGAIN, INC.
1930 Palomar Point Way, Suite 107
Carlsbad, CA 92008
Fax: (760) 579-0892
Attn: Chairman of the Board

If to Employee:

Charles A. Myers
P.O. Box 1753
La Jolla, California 92038
Fax: (858) 456-8427

11. Notice of Termination. Any purported termination of Employment by the Company or the Employee shall be communicated by written Notice of Termination to the other Party. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which indicates, if applicable, the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Employee's employment under the provision so indicated. For purposes of this Agreement, no such purported termination of employment shall be effective without delivery of such a Notice of Termination.

12. General Provisions.

a. Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to the conflicts of laws principles thereof. Employee and the Company agree that any litigation regarding this Agreement shall be conducted in San Diego, California. Employee and the Company hereby consent to the jurisdiction of the courts of the State of California and the United States District Court for the Southern District of California.

b. Assignment; Assumption by Successor. The rights of the Company under this Agreement may, without the consent of Employee, be assigned by the Company, in its sole and unfettered discretion, to any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly, acquires all or substantially all of the assets or business of the Company. The Company will require any successor (whether direct or indirect, by purchase, merger or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and to agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place; provided, however, that no such assumption shall relieve the Company of its obligations hereunder. As used in this Agreement, the “Company” shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law or otherwise.

c. No Waiver of Breach. The failure to enforce any provision of this Agreement shall not be construed as a waiver of any such provision, nor prevent a Party thereafter from enforcing the provision or any other provision of this Agreement. The rights granted the Parties are cumulative, and the election of one shall not constitute a waiver of such Party’s right to assert all other legal and equitable remedies available under the circumstances.

d. Severability. The provisions of this Agreement are severable, and if any provision shall be held to be invalid or otherwise unenforceable, in whole or in part, the remainder of the provisions, or enforceable parts of this Agreement, shall not be affected.

e. Entire Agreement. This Agreement and the Confidentiality and Inventions Assignment Agreement constitute the entire agreement of the Parties with respect to the subject matter of this Agreement and supersede all prior and contemporaneous negotiations, agreements and understandings between the Parties, whether oral or written, including, without limitation, that certain Employment Agreement between the Parties dated as of April 28, 2011.

f. Modifications and Waivers. No modification or waiver of this Agreement shall be valid unless in writing, signed by the Party against whom such modification or waiver is sought to be enforced.

g. Amendment. This Agreement may be amended or supplemented only by a writing signed by both of the Parties hereto.

h. Duplicate Counterparts; Facsimile. This Agreement may be executed in duplicate counterparts, each of which shall be deemed an original; provided, however, such counterparts shall together constitute only one agreement. Facsimile signatures or signatures sent via electronic mail shall be as effective as original signatures.

i. Interpretation. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

j. Non-transferability of Interest. None of the rights of Employee to receive any form of compensation payable pursuant to this Agreement shall be assignable or transferable except through a testamentary disposition or by the laws of descent and distribution upon the death of Employee. Any attempted assignment, transfer, conveyance, or other disposition (other than as aforesaid) of any interest in the rights of Employee to receive any form of compensation to be made by the Company pursuant to this Agreement shall be void.

k. Construction. The language in all parts of this Agreement shall in all cases be construed simply, according to its fair meaning, and not strictly for or against any of the parties hereto. Without limitation, there shall be no presumption against any party on the ground that such party was responsible for drafting this Agreement or any part thereof.

l. Section 409A.

i. Notwithstanding anything to the contrary in this Agreement, no payment or benefit to be paid or provided to Employee upon his termination of employment, if any, pursuant to this Agreement that, when considered together with any other payments or benefits, are considered deferred compensation under Section 409A (together, the “Deferred Payments”) will be paid or otherwise provided until Employee has a “separation from service” within the meaning of Section 409A. Similarly, no amounts payable to Employee, if any, pursuant to this Agreement that otherwise would be exempt from Section 409A pursuant to Treasury Regulation Section 1.409A-1(b)(9) will be payable until Employee has a “separation from service” within the meaning of Section 409A.

ii. Notwithstanding anything to the contrary in this Agreement, if Employee is a “specified employee” within the meaning of Section 409A at the time of Employee’s termination of employment (other than due to death), then the Deferred Payments that are payable within the first six (6) months following Employee’s separation from service, will become payable on the first payroll date that occurs on or after the date six (6) months and one (1) day following the date of Employee’s separation from service. All subsequent Deferred Payments, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if Employee dies following Employee’s separation from service, but prior to the six (6) month anniversary of the separation from service, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of Employee’s death and all other Deferred Payments will be payable in accordance with the payment schedule applicable to each payment or benefit. Each payment and benefit payable under this Agreement is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

iii. Any amount paid under this Agreement that satisfies the requirements of the “short-term deferral” rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations will not constitute a Deferred Payment for purposes of clauses (i) and (ii) above.

iv. Any amount paid under this Agreement that qualifies as a payment made as a result of an involuntary separation from service pursuant to Section 1.409A-1(b)(9)(iii) of the Treasury Regulations that does not exceed the limits set forth therein will not constitute a Deferred Payment for purposes of clauses (i) and (ii) above.

v. This Agreement is intended to be written, administered, interpreted and construed in a manner such that no payment or benefits provided under the Agreement become subject to (A) the gross income inclusion set forth within Code Section 409A(a)(1)(A) or (B) the interest and additional tax set forth within Code Section 409A(a)(1)(B) (together, referred to herein as the “Section 409A Penalties”), including, where appropriate, the construction of defined terms to have meanings that would not cause the imposition of Section 409A Penalties. In no event shall the Company be required to provide a tax gross-up payment to Employee or otherwise reimburse Employee with respect to Section 409A Penalties. The Company and Employee agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary,

appropriate or desirable to avoid imposition of any Section 409A Penalties on Employee.

vi. Any reimbursement of expenses or in-kind benefits payable under this Agreement shall be made in accordance with Treasury Regulation Section 1.409A-3(i)(1)(iv) and shall be paid on or before the last day of Employee's taxable year following the taxable year in which Employee incurred the expenses. The amount of expenses reimbursed or in-kind benefits payable in one year shall not affect the amount eligible for reimbursement or in-kind benefits payable in any other taxable year of Employee's, and Employee's right to reimbursement for such amounts shall not be subject to liquidation or exchange for any other benefit.

(Signature Page Follows)

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date(s) set forth below.

Dated: January 27, 2014

AIRGAIN, INC.

By: /s/ James K. Sims

Name: James K. Sims

Title: Chairman

EMPLOYEE

Dated: January 27, 2014

/s/ Charles A. Myers
Charles A. Myers

EXHIBIT 2

PROMISSORY NOTE

[Attached]

PROMISSORY NOTE

U.S. \$266,282.00

, 201
Carlsbad, California

For valuable consideration, receipt of which is hereby acknowledged, CHARLES A. MYERS ("Borrower"), hereby promises to pay to AIRGAIN, INC. ("Lender"), or to the order of its successor or assignee, at such location as Lender may from time to time designate, in lawful money of the United States of America, such principal amount as from time to time may be advanced hereunder, not to exceed Two Hundred Sixty-Six Thousand Two Hundred Eighty-Two U.S. Dollars (U.S. \$266,282.00) in the aggregate (regardless of prepayment of principal by Borrower). This Promissory Note shall bear interest at the rate of One and Three-Quarters Percent (1.75%) per annum, compounded annually, on the principal amount from time to time outstanding hereunder; *provided, however*, that the interest rate charged hereon shall not exceed the maximum lawful rate of interest payable on demand.

Any and all payments of accrued but unpaid interest, and payments of principal, made by Borrower shall, unless otherwise agreed upon by Lender, be deemed to apply first and entirely to the payment of any interest due under this Promissory Note, and then to the principal under this Promissory Note, and then to any other amounts due under this Promissory Note (except as set forth below in the event of an exercise of remedies by Lender).

This Promissory Note is issued in connection with the issuance by Lender to Borrower of Two Million Six Hundred Nine Thousand Two Hundred Forty (2,609,240) shares of the common stock of Lender (the "Shares") pursuant to that certain Restricted Stock Purchase Agreement dated as of _____, 20____ between Borrower and Lender (the "Purchase Agreement").

This Promissory Note is the Promissory Note referred to in and is executed and delivered in connection with that certain Stock Pledge Agreement dated as of even date herewith and executed and delivered by Borrower in favor of Lender (as the same may from time to time be amended, modified or supplemented or restated, the "Pledge Agreement"). Additional rights of Lender are set forth in the Pledge Agreement. The full amount of this Promissory Note is secured by the Shares, which are identified and described as security therefor in the Pledge Agreement. Borrower shall not, directly or indirectly, create, permit or suffer to exist, and shall defend the collateral against and take such other action as is necessary to remove, any lien on or in the Shares, or in any portion thereof, except as permitted pursuant to the Pledge Agreement.

The entire principal amount and all accrued interest under this Promissory Note shall be due and payable on the first to occur of (a) the third anniversary of the date of this Promissory Note, (b) immediately prior to this Promissory Note becoming prohibited under Section 13(k) of the Securities Exchange Act of 1934, as amended, (c) a Change of Control of Lender (as defined in that certain Employment Agreement effective as of October 28, 2013, between Lender and Borrower, (d) thirty (30) days following Borrower's termination of employment with Lender, or (e) an Event of Default. This Promissory Note may be prepaid in full or in part at any time without premium or penalty.

In the event that Borrower receives any distributions on, or proceeds from the sale of, any of the Shares ("Distributions"), such Distributions shall be automatically applied on the date of such Distributions toward the prepayment of this Promissory Note, with such payments applied first to accrued but unpaid interest and then to the outstanding principal.

Should this Promissory Note, or any portion thereof, fail to be paid in a timely manner, the holder of this Promissory Note shall be entitled to expense of collection, attorneys' fees and all other reasonable expenses of enforcing payment.

Each of the following events shall be an "Event of Default" hereunder:

- (a) the failure of Borrower to pay any amount under this Promissory Note when due;
- (b) the commencement of any proceeding against Borrower in bankruptcy, or otherwise seeking any reorganization, arrangement or similar relief, or the appointment of a receiver, trustee, or liquidator to take possession of the assets of Borrower, or the commencement of any other proceeding under any law for the relief of creditors;
- (c) any assignment by Borrower for the benefit of Borrower's creditors; and
- (d) the failure by Borrower to comply with or to perform when due any other term, obligation, covenant or condition contained in this Promissory Note or in the Pledge Agreement or any of the related documents, including, without limitation, the failure of Borrower to apply any Distributions to the payment of amounts under this Promissory Note.

Upon the occurrence of an Event of Default hereunder, all unpaid principal and other amounts owing hereunder shall, at the option of Lender, be immediately due, payable and collectible by Lender pursuant to applicable law. Lender shall have all rights and may exercise any remedies available to it

under law, successively or concurrently. Borrower expressly acknowledges and agrees that Lender shall have the right to offset any obligations of Borrower hereunder against compensation or other amounts that may be payable to Borrower by Lender, including, without limitation, any Distributions.

THIS PROMISSORY NOTE IS A FULL RECOURSE PROMISSORY NOTE. Notwithstanding anything to the contrary contained in this Promissory Note, Borrower hereby agrees that Lender, in enforcing its rights and remedies hereunder and under the other documents and instruments executed by Borrower in connection herewith, shall have recourse to, and the right to proceed against, Borrower and any of his assets for any obligation, covenant or agreement of any kind whatsoever, in an amount equal to the unpaid principal amount of this Promissory Note and accrued and unpaid interest thereon.

This Promissory Note and the Pledge Agreement contain the entire agreement of Borrower and Lender with respect to the subject matter hereof, and no provision of this Promissory Note may be amended, modified, supplemented, changed, waived, discharged or terminated unless both parties consent thereto in writing. In case any one or more of the provisions contained in this Promissory Note should be held to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. Borrower and any endorsers severally waive presentment for payment, protest, notice of protest and notice of non-payment of this Promissory Note. This Promissory Note shall be construed in accordance with the laws of the State of California, without regard to the conflicts of law provisions of the State of California or of any other state. This Promissory Note shall inure to the benefit of Lender, its successors and assigns and shall bind the heirs, executors, administrators, successors and assigns of Borrower.

Dated: January 27, 2014

/s/ Charles A. Myers

Charles A. Myers

EXHIBIT 3

PLEDGE AGREEMENT

[Attached]

STOCK PLEDGE AGREEMENT

This STOCK PLEDGE AGREEMENT ("Agreement") is entered into between CHARLES A. MYERS, an individual ("Pledgor"), and AIRGAIN, INC., a California corporation ("Pledgee"), effective as of _____, 201__.

WHEREAS, this Agreement is entered into in connection with the issuance by Pledgee to Pledgor of an aggregate of Two Million Six Hundred Nine Thousand Two Hundred Forty (2,609,240) shares of the common stock of Pledgee (the "Shares") from Pledgee pursuant to that certain Restricted Stock Purchase Agreement dated as of _____, 201__ , between Pledgor and Pledgee;

WHEREAS, in connection with the issuance of the Shares, the Pledgee is providing Pledgor with a loan to assist Pledgor with the payment of taxes in connection with Pledgor's receipt of the Shares, and the Pledgee is accepting a Promissory Note (the "Note") of even date herewith, a copy of which is attached as Exhibit A; and

WHEREAS, as an inducement for Pledgee to accept the Note, Pledgor has agreed to pledge the Shares as security for the Note.

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties agree as follows:

1. Pledge. Pledgor hereby pledges, mortgages, assigns, transfers, delivers, deposits and grants a first priority security interest in, and confirms unto Pledgee and Pledgee's successors and assigns, Pledgor's entire right, title and interest in and to the Shares (the "Pledged Shares"), with appropriate stock powers and instruments of assignment attached, duly executed and endorsed in blank, in the form attached hereto as Exhibit B to secure (a) the timely payment of all installments of principal and interest due and to become due under the Note, including all extensions and renewals thereof, and (b) the timely observance and performance of all terms, covenants, conditions and obligations on the part of the undersigned to be observed and performed under this Agreement, or any related document. Contemporaneously with the execution hereof, the certificate(s) of the Pledged Shares accompanied by said stock powers and instruments of assignment are being delivered by Pledgor to Pledgee. The Pledgee shall have the right, at any time in its discretion and without notice to Pledgor following the occurrence of an Event of Default, to transfer to or to register in the name of Pledgee or any of its nominees any or all of the Pledged Shares.

2. Pledgor Warranties. Pledgor hereby represents and warrants that:

(a) The Pledged Shares are duly and validly issued and validly pledged in accordance with applicable laws and Pledgor has good title to the Pledged Shares, free and clear of all claims, mortgages, pledges, liens and other encumbrances of every nature whatsoever, except the lien of the pledge evidenced by this Agreement or other liens in favor of Pledgee, and Pledgor agrees to indemnify and will warrant and defend the title to the Pledged Shares and the lien thereon conveyed to Pledgee by this Agreement against all claims and demands of all persons and will maintain and preserve such lien; and

(b) The execution, delivery and performance of this Agreement and all related documents by Pledgor, to the extent to be executed, delivered or performed by Pledgor, have been duly

authorized by all necessary action by Pledgor; do not require the consent or approval of any other person, regulatory authority or governmental body in order for the Pledgor to perform its obligations under the Note; and do not conflict with, result in a violation of, or constitute a default under any law, government regulation, court decree, or order applicable to Pledgor.

3. Dividends on Pledged Shares. Pledgor shall account fully for and promptly deliver to Pledgee, in the form received, any non-monetary dividend or any other distribution on account of the Pledged Shares whether in securities or property or by way of stock rights, warrants, rights to subscribe, stock-split, spin-off, split-up or reclassification, combination of shares or the like, or in case of any reorganization, consolidation or merger.

4. Events of Default. Each of the following shall constitute an Event of Default under this Agreement:

(a) Default on Note. Failure of Pledgor to make any payment under the Note when due.

(b) Bankruptcy. The commencement of any proceeding against Pledgor in bankruptcy, or otherwise seeking any reorganization, arrangement or similar relief, or the appointment of a receiver, trustee, or liquidator to take possession of the assets of Pledgor, or the commencement of any other proceeding under any law for the relief of creditors.

(c) Assignment for Benefit of Creditors. Any assignment by Pledgor for the benefit of Pledgor's creditors.

(d) Other Defaults. Failure of Pledgor to comply with or to perform when due any other term, obligation, covenant or condition contained in this Agreement or in the Note or any of the related documents.

5. Rights of Pledgee Upon Event of Default. The occurrence of an Event of Default shall cause the unpaid principal plus accrued interest due under the Note to become immediately due and payable without notice or demand. All rights of Pledgor to vote, manage and give consents, waivers and ratifications with respect to any of the Pledged Shares shall cease immediately upon the occurrence of an Event of Default hereunder. At any time after an Event of Default, Pledgee shall have and be entitled to all of the powers and authority of a shareholder of record with respect to the Pledged Shares, including, without limitation, the right to vote any or all of said Pledged Shares and to give all consents, waivers and ratifications in respect thereof and otherwise act as though Pledgee were the record owner of the Pledged Shares, and Pledgor hereby irrevocably grants to Pledgee an irrevocable proxy coupled with an interest to vote or to consent with respect to the Pledged Shares and irrevocably constitutes and appoints Pledgee, or any nominee or nominees designated by Pledgee from time to time, the attorney-in-fact of Pledgor, with full power and authority of substitution, to do all of the foregoing. Further, on the occurrence of an Event of Default, Pledgee may exercise in respect of the Pledged Shares, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party under applicable uniform commercial codes. Further, on the occurrence of an Event of Default, Pledgee is hereby authorized and empowered, in accordance with and subject to applicable laws, to sell, assign and deliver all or any part of the Pledged Shares upon at least fifteen (15) days prior notice to Pledgor of the time and place of sale. Pledgor shall have until the time of such sale in which to redeem the Pledged Shares upon payment of the unpaid principal and accrued interest owed under the Note. Said sale may be public or private, without advertisement, at any broker's board or through any person or persons Pledgee

may select for that purpose, for cash or upon credit for future delivery, for such price as Pledgee in its exclusive discretion may determine, without the necessity of the Pledged Shares being present at any such sale, and without further notice to Pledgor. The sale may be made without any presentment, advertisement, demand for performance, protest, notice of protest, notice of dishonor, or any other or further demand upon Pledgor for the performance or observance of any obligation of Pledgor secured by or referred to in this Agreement. All of the foregoing demands, advertisements and other steps precedent to such sale of the Pledged Shares are hereby expressly waived by Pledgor. Upon any such sale, Pledgee may deliver to the purchaser or purchasers of the Pledged Shares and/or interest sold any and all instruments necessary or proper to vest full title to such Pledged Shares in said purchaser or purchasers thereof. At any such sale, Pledgee may become the purchaser of the whole or any part of the Pledged Shares sold, discharged from all claims and free from any further right of redemption, Pledgor hereby waives the provisions of all applicable statutes and rules of law or equity to the contrary. In addition to the foregoing, Pledgee shall have the right to exercise any and all of the remedies of a secured party under the California Commercial Code and any other remedies at law or in equity, all of which it shall have the right to enforce successively or concurrently, and any such action shall not estop or prevent Pledgee from pursuing any further remedy which Pledgee may have hereunder or by law. The proceeds of such sale shall be applied: (a) to the payments of the reasonable costs and expenses of the sale, including, but not limited to, brokers' commissions, reasonable attorneys' fees, taxes, or other charges imposed by law and all charges paid or incurred by Pledgee pertaining to said sale; (b) to the payment of the unpaid principal plus accrued interest due under the Note; and (c) the excess, if any, to Pledgor. In the event the net proceeds from such sale are not sufficient for payment of all of the foregoing and satisfaction of all of Pledgor's obligations secured by this Agreement, Pledgee shall be entitled to collect any such deficiency from Pledgor.

6. Duties of Pledgor; No Waiver. The duties and obligations of Pledgor, together with the rights, powers, privileges, and remedies of Pledgee under this Agreement and all related documents, are cumulative and not exclusive and may be exercised concurrently or separately. Said rights, powers, privileges and remedies shall be in addition to such thereof as are granted to Pledgee by virtue of any statute or rule of law or equity. Any forbearance, failure or delay by Pledgee in exercising any such right, remedy, power or privilege shall not operate as or be deemed a waiver of any thereof, nor shall any exercise or partial exercise of any such right, remedy, power or privilege preclude any other right, remedy, power or privilege, and the express waiver of any right, power, remedy or privilege shall not operate or be deemed a waiver of any other right, power, privilege or remedy. Pledgor hereby waives, to the full extent permitted by law, the right to plead any statute of limitation as a defense to any action or proceeding to enforce any obligations of Pledgor to Pledgee. The said duties and obligations of Pledgor under this Agreement and all related documents shall remain in full force and effect without regard to and shall not be impaired or affected by any waiver, consent, indulgence or other action or inaction by Pledgee in respect of said duties and obligations of Pledgor.

7. Release of Pledged Shares. Pledgee shall not be required to release from the within pledge any portion of the Pledged Shares of Pledgor until all unpaid principal plus interest due under the Note which is guaranteed by Pledgor are fully paid. Upon receipt of full payment of principal and interest due under the Note, all the shares of stock pledged under this Agreement held by Pledgee will cease to be Pledged Shares for the purposes of this Agreement and shall be immediately returned to Pledgor.

8. Notices. All notices, requests and other communications hereunder shall be in writing and shall be delivered by courier or other means of personal service (including by means of a nationally recognized courier service or professional messenger service), or mailed first class, postage prepaid, by certified mail, return receipt requested, in all cases, addressed to:

If to Pledgee: AIRGAIN, INC.
1930 Palomar Point Way, Suite 107
Carlsbad, CA 92008
Fax: (760) 579-0892
Attn: Chairman of the Board

If to Pledgor: To the most recent address listed on the Company's personnel records

All notices, requests and other communications shall be deemed given on the date of actual receipt or delivery as evidenced by written receipt, acknowledgement or other evidence of actual receipt or delivery to the address. Any party hereto may from time to time by notice in writing served as set forth above designate a different address or a different or additional person to which all such notices or communications thereafter are to be given.

9. Successors. Any person who assumes the obligations under this Agreement or any person who assumes the obligations of a guarantor, surety or endorser under the Note is also obligated to keep all of the promises made in this Agreement. Pledgee may enforce its rights under the Note or this Agreement against each person individually or against all of them together, meaning that any one of them may be required to pay all of the amounts owed under the Note or perform all of the obligations under this Agreement.

10. Time. Time is of the essence in the performance of this Agreement and any related document.

11. Governing Law; Jurisdiction. This Agreement and any related document, and any matter arising therefrom, shall be governed by and construed in accordance with the domestic laws of California without giving effect to any choice or conflict of law provision or rule that would cause the application of the laws of any jurisdiction other than California. All actions or proceedings relating directly or indirectly to this Agreement shall be litigated in courts of California or of the United States of America, located in San Diego, California. Pledgor consents and submits (a) to the jurisdiction of any such court; and (b) to service of process by any means authorized by California or federal law and that any such process may be served on Pledgor anywhere in the world. Pledgor waives any and all objections which it may have as to the jurisdiction or venue of such courts and all rights it may have to transfer or change the venue of any such action or proceeding.

12. Severability. If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; if, however, the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.

13. Pledgor Further Assurances. Pledgor agrees to do, make, execute and deliver all such additional and further acts, assurances and instruments as Pledgee may reasonably require from time to time to perfect and protect their rights hereunder and in or to the Pledged Shares.

14. Attorneys' Fees. If any attorney is engaged by Pledgee to enforce or construe any provision of this Agreement or any related document, or as a consequence of any Event of Default under

this Agreement or any related document, with or without the filing of any legal action or proceeding, then Pledgor shall immediately pay on demand all reasonable attorneys' fees and other reasonable costs incurred by Pledgee, together with interest thereon from the date of such demand until paid at the rate applicable to the principal owing under the Note as if such unpaid attorneys' fees and costs had been added to the principal. Pledgor further agrees to pay Pledgee on demand reasonable attorneys' fees incurred by Pledgee relating to, arising out of or incurred by Pledgee in connection with any bankruptcy, insolvency, assignment for benefit of creditors, arrangement, reorganization or other debtor relief proceeding under any federal or state law, whether now existing or hereinafter enacted, filed by or against Pledgor, or including without limitation, attorneys' fees and costs incurred in the monitoring of such proceeding and its effect on Pledgee's rights and claims for recovery of amounts due from Pledgor under the Note or any of the related documents.

15. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

16. Modification. This Agreement shall not be changed or modified orally, but in each instance only by an instrument in writing signed by Pledgee and Pledgor.

17. Headings. The headings of the articles, sections and paragraphs herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

18. Gender and Other Matters. Any reference to or use of any gender (including the neuter) in this Agreement shall be deemed to include all other genders (including the neuter) when the context so requires. The use of the singular shall be deemed to include the plural, and use of the plural shall be deemed to include the singular, when the context so requires.

19. RIGHT TO ADVICE OF COUNSEL. PLEDGOR ACKNOWLEDGES THAT HE HAS THE RIGHT, AND IS ENCOURAGED, TO CONSULT WITH HIS LAWYER; BY HIS SIGNATURE BELOW, PLEDGOR ACKNOWLEDGES THAT HE HAS CONSULTED, OR HAS ELECTED NOT TO CONSULT, WITH HIS LAWYER CONCERNING THIS AGREEMENT.

(Signature Page Follows)

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly signed as of the date first set forth above.

AIRGAIN, INC.

CHARLES A. MYERS

By: /s/ James K. Sims

/s/ Charles A. Myers

Print Name: James K. Sims

Title: Chairman

EXHIBIT 4

TERMS OF CHANGE IN CONTROL BONUS

This is Exhibit 4 to that certain Employment Agreement (the "Employment Agreement") effective as of October 28, 2013, by and between AIRGAIN, INC. (the "Company"), and CHARLES A. MYERS ("Employee"), and forms a part of the Employment Agreement. Defined terms used herein without definition shall have the meanings given to them in the Employment Agreement or in clause (d) below.

a. Change in Control Bonus. Subject to the provisions of clause (b) below and the payment provisions of clause (c) below, upon the occurrence of a Change in Control prior to the IPO, the Company shall pay to Employee a bonus (the "Change in Control Bonus") in an amount equal to (i) two and one-half percent (2.5%) multiplied by (ii) the Preferred Liquidation Proceeds from such Change in Control. For purposes of this Exhibit 4, if the Change in Control Bonus provides for the deferral of compensation and is subject to Section 409A of the Code, the Change in Control must also constitute a "change in control event," as defined in Treasury Regulation §1.409A-3(i)(5) to the extent required by Section 409A of the Code. This Exhibit 4 shall terminate and be of no further force or effect upon the Company's IPO.

b. Continued Employment Requirement. Employee must continue to be employed by the Company through the date of the Change in Control in order to be eligible to receive the Change in Control Bonus. In the event of Employee's termination of employment for any reason prior to the occurrence of a Change in Control, Employee shall cease to be eligible to receive the Change in Control Bonus.

c. Payment of Change in Control Bonus. Subject to clause (b) above, the Change in Control Bonus shall be payable on the date of the closing of a Change in Control. Unless the Board determines that the Change in Control Bonus is to be payable entirely in cash, Employee shall be paid the Change in Control Bonus in the same form (or forms) as consideration is otherwise payable to the securityholders of the Company in connection with such Change in Control; provided, however, that no less than fifty percent (50%) of the Change in Control Bonus shall be payable in the form of cash or securities that are publicly traded on a major U.S. stock exchange.

d. Definitions. For purposes of this Exhibit 2, the following terms shall have the meanings given below:

- i. "Board" shall mean the Board of Directors of the Company; provided, however, that, with respect to any actions taken on or following a Change in Control of the Company, "Board" shall mean the Board as constituted immediately prior to the closing of such Change in Control of the Company.
- ii. "Charter" shall mean the Company's Sixth Amended and Restated Articles of Incorporation of the Company, filed April 21, 2008, as amended from time to time.
- iii. "Contingent Proceeds" shall mean that portion of the Proceeds

which is paid into escrow to provide security for the satisfaction of indemnification claims by the acquirer in a Change in Control against the Company's securityholders (net of any exercise price to be paid to the Company by such securityholders) or which is otherwise to be paid following the closing based on the achievement of milestones or other performance objectives.

iv. "Preferred Holders" shall mean the holders of shares of "Preferred Stock" (as such term is defined in the Charter), to the extent such shares of "Preferred Stock" were outstanding as of the Effective Date or were issued upon exercise of warrants outstanding as of the Effective Date.

v. "Preferred Liquidation Proceeds" shall mean the portion of the Proceeds payable to the Preferred Holders pursuant to Article III, Section B(2) [Liquidation Preference] of the Charter pursuant to the Change in Control in respect of shares of "Preferred Stock (as such term is defined in the Charter) that were outstanding as of the Effective Date or were issued upon exercise of warrants outstanding as of the Effective Date.

vi. "Proceeds" shall mean (a) the fair market value of the consideration received or to be received by the securityholders of the Company (net of any exercise price to be paid to the Company by such securityholders), or (b) in the event amounts are to be paid to the Company pursuant to the sale, license or other disposition of the Company's assets that constitutes a Change in Control, the aggregate value of any consideration that would be received by the securityholders of the Company (net of any exercise price to be paid to the Company by such securityholders) if the Company were liquidated immediately following the consummation of such sale, license or other disposition, in each case calculated prior to giving effect to the calculation of the Change in Control Bonus payable hereunder.

The determination of the Proceeds shall be made in good faith by the Board using its business judgment and such determination shall be conclusive and binding. To the extent any of the Proceeds are Contingent Proceeds, the "Proceeds" as of the closing of the Change in Control for purposes of this Exhibit 4 shall include the full value of any such Contingent Proceeds. If any portion of the Proceeds is securities or other property, its value for purposes of this Exhibit 4 shall be the fair market value thereof as determined in good faith by the Plan Board.

e. Funding. No provision of this Exhibit 4 or the Employment Agreement shall require the Company, for purposes of satisfying its obligation to pay the Change in Control Bonus, to purchase assets or place any assets in a trust or other entity to which contributions are made or otherwise to segregate any assets, nor shall the Company maintain separate bank accounts, books, records or other evidence of the existence of a segregated or separately maintained or administered fund for such purposes. Employee shall have no rights to his Change in Control Bonus other than an unsecured general creditor of the Company or its successor.

f. No Equity Interest. Nothing in this Exhibit 4 creates or conveys any equity or ownership interest in the Company nor any rights commonly associated with such interests, including, without limitation, the right to vote on any matters put before the shareholders of the Company.

g. Section 409A of the Code. Section 12(l) of the Employment Agreement is hereby incorporated into this Exhibit 4 by reference. For the avoidance of doubt, it is intended that the benefits payable under this Exhibit 4 satisfy, to the greatest extent possible, the exemption from the application of Section 409A of the Code provided under Treasury Regulation Section 1.409A-1(b)(4) and, to the extent not so exempt, that the benefits payable under this Exhibit 4 constitute “transaction-based compensation” that complies, and this Exhibit 4 shall be interpreted to the greatest extent possible to be consistent, with Treasury Regulation Section 1.409A-3(i)(5)(iv)(A).

h. Survival. The provisions of this Exhibit 4 shall survive any termination or expiration of the term of the Employment Agreement and Employee’s termination of employment. To the extent the Employment Agreement so terminates or expires, Sections 10 through 12 of the Employment Agreement shall also survive and shall continue to apply to this Exhibit 4 as if set forth herein.

EXHIBIT 5

GENERAL RELEASE OF CLAIMS

[The language in this Release may change based on legal developments and evolving best practices; this form is provided as an example of what will be included in the final Release document.]

This General Release of Claims ("Release") is entered into as of this day of , , between CHARLES A. MYERS ("Employee"), and AIRGAIN, INC., a California corporation (the "Company") (collectively referred to herein as the "Parties").

WHEREAS, Employee and the Company are parties to that certain Employment Agreement effective as of October 28, 2013 (the "Agreement");

WHEREAS, the Parties agree that Employee is entitled to certain severance benefits under the Agreement, subject to Employee's execution of this Release; and

WHEREAS, the Company and Employee now wish to fully and finally to resolve all matters between them.

NOW, THEREFORE, in consideration of, and subject to, the severance benefits payable to Employee pursuant to the Agreement, the adequacy of which is hereby acknowledged by Employee, and which Employee acknowledges that he would not otherwise be entitled to receive, Employee and the Company hereby agree as follows:

1. General Release of Claims by Employee.

(a) Employee, on behalf of himself and his executors, heirs, administrators, representatives and assigns, hereby agrees to release and forever discharge the Company and all predecessors, successors and their respective parent corporations, affiliates, related, and/or subsidiary entities, and all of their past and present investors, directors, shareholders, officers, general or limited partners, employees, attorneys, agents and representatives, and the employee benefit plans in which Employee is or has been a participant by virtue of his employment with or service to the Company (collectively, the "Company Releasees"), from any and all claims, debts, demands, accounts, judgments, rights, causes of action, equitable relief, damages, costs, charges, complaints, obligations, promises, agreements, controversies, suits, expenses, compensation, responsibility and liability of every kind and character whatsoever (including attorneys' fees and costs), whether in law or equity, known or unknown, asserted or unasserted, suspected or unsuspected (collectively, "Claims"), which Employee has or may have had against such entities based on any events or circumstances arising or occurring on or prior to the date hereof or on or prior to the date hereof, arising directly or indirectly out of, relating to, or in any other way involving in any manner whatsoever Employee's employment by or service to the Company or the termination thereof, including any and all claims arising under federal, state, or local laws relating to employment, including without limitation claims of wrongful discharge, breach of express or implied contract, fraud, misrepresentation, defamation, or liability in tort, and claims of any kind that may be brought in any court or administrative agency including, without

limitation, claims under Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. Section 2000, et seq.; the Americans with Disabilities Act, as amended, 42 U.S.C. § 12101 et seq.; the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 701 et seq.; the Civil Rights Act of 1866, and the Civil Rights Act of 1991; 42 U.S.C. Section 1981, et seq.; the Age Discrimination in Employment Act, as amended, 29 U.S.C. Section 621, et seq. (the “ADEA”); the Equal Pay Act, as amended, 29 U.S.C. Section 206(d); regulations of the Office of Federal Contract Compliance, 41 C.F.R. Section 60, et seq.; the Family and Medical Leave Act, as amended, 29 U.S.C. § 2601 et seq.; the Fair Labor Standards Act of 1938, as amended, 29 U.S.C. § 201 et seq.; the Employee Retirement Income Security Act, as amended, 29 U.S.C. § 1001 et seq.; and the California Fair Employment and Housing Act, California Government Code Section 12940, et seq.

Notwithstanding the generality of the foregoing, Employee does not release the following claims:

- (i) Claims for unemployment compensation or any state disability insurance benefits pursuant to the terms of applicable state law;
- (ii) Claims for workers’ compensation insurance benefits under the terms of any worker’s compensation insurance policy or fund of the Company;
- (iii) Claims pursuant to the terms and conditions of the federal law known as COBRA;
- (iv) Claims for indemnity under the bylaws of the Company, as provided for by California law or under any applicable insurance policy with respect to Employee’s liability as an employee, director or officer of the Company;
- (v) Claims based on any right Employee may have to enforce the Company’s executory obligations under the Agreement; and
- (vi) Claims Employee may have to vested or earned compensation and benefits.

i. EMPLOYEE ACKNOWLEDGES THAT HE HAS BEEN ADVISED OF AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH, IF KNOWN BY HIM OR HER, MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”

BEING AWARE OF SAID CODE SECTION, EMPLOYEE HEREBY EXPRESSLY WAIVES ANY RIGHTS HE MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER

[Note: Clauses (c), (d) and (e) apply only if Employee is age 40 or older at time of termination]

j. Employee acknowledges that this Release was presented to him on the date indicated above and that Employee is entitled to have twenty-one (21) days' time in which to consider it. Employee further acknowledges that the Company has advised him that he is waiving his rights under the ADEA, and that Employee should consult with an attorney of his choice before signing this Release, and Employee has had sufficient time to consider the terms of this Release. Employee represents and acknowledges that if Employee executes this Release before twenty-one (21) days have elapsed, Employee does so knowingly, voluntarily, and upon the advice and with the approval of Employee's legal counsel (if any), and that Employee voluntarily waives any remaining consideration period.

(d) Employee understands that after executing this Release, Employee has the right to revoke it within seven (7) days after his execution of it. Employee understands that this Release will not become effective and enforceable unless the seven (7) day revocation period passes and Employee does not revoke the Release in writing. Employee understands that this Release may not be revoked after the seven (7) day revocation period has passed. Employee also understands that any revocation of this Release must be made in writing and delivered to the Company at its principal place of business within the seven (7) day period.

(e) Employee understands that this Release shall become effective, irrevocable, and binding upon Employee on the eighth (8th) day after his execution of it, so long as Employee has not revoked it within the time period and in the manner specified in clause (d) above.

(f) Employee further understands that Employee will not be given any severance benefits under the Agreement unless this Release is effective on or before the date that is thirty (30) days following the date of Employee's termination of employment.

2. No Assignment. Employee represents and warrants to the Company Releasees that there has been no assignment or other transfer of any interest in any Claim that Employee may have against the Company Releasees. Employee agrees to indemnify and hold harmless the Company Releasees from any liability, claims, demands, damages, costs, expenses and attorneys' fees incurred as a result of any such assignment or transfer from Employee.

3. Severability. In the event any provision of this Release is found to be unenforceable by an arbitrator or court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to allow enforceability of the provision as so limited, it being intended that the parties shall receive the benefit contemplated herein to the fullest extent permitted by law. If a deemed modification is not satisfactory in the judgment of such arbitrator or court, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

4. Interpretation; Construction. The headings set forth in this Release are for convenience only and shall not be used in interpreting this Agreement. This Release has been drafted by legal counsel representing the Company, but Employee has participated in the negotiation of its terms. Furthermore, Employee acknowledges that Employee has had an opportunity to review and revise the Release and have it reviewed by legal counsel, if desired, and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Release. Either party's failure to enforce any provision of this Release shall not in any way be construed as a waiver of any such provision, or prevent that party thereafter from enforcing each and every other provision of this Release.

5. Governing Law; Venue. This Release shall be governed by and construed in accordance with the laws of the State of California without regard to the conflicts of laws principles thereof. Employee and the Company agree that any litigation regarding this Release shall be conducted in San Diego, California. Employee and the Company hereby consent to the jurisdiction of the courts of the State of California and the United States District Court for the Southern District of California.

6. Entire Agreement. This Release and the Agreement constitute the entire agreement of the Parties in respect of the subject matter contained herein and therein and supersede all prior or simultaneous representations, discussions, negotiations and agreements, whether written or oral. This Release may be amended or modified only with the written consent of Employee and an authorized representative of the Company. No oral waiver, amendment or modification will be effective under any circumstances whatsoever.

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

(Signature Page Follows)

IN WITNESS WHEREOF, the Parties have executed this Release as of the date(s) set forth below.

Dated: _____

AIRGAIN, INC.

By: _____

Name: _____

Title: _____

EMPLOYEE

Dated: _____

Charles A. Myers

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT ("Agreement"), effective as of July 28, 2014 (the "Effective Date"), is made by and between AIRGAIN, INC. (the "Company"), and LEO JOHNSON ("Employee").

WHEREAS, the Board of Directors of the Company (the "Board") has determined that it is in the best interests of the Company and its shareholders to offer to employ Employee as the Company's Chief Financial Officer under the terms and conditions set forth herein; and

WHEREAS, Employee desires to accept employment as the Company's Chief Financial Officer and to accept such revised terms and conditions of employment as are contained in this Agreement.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein and for other good and valuable consideration, the receipt of which is mutually acknowledged, the Company and Employee (individually a "Party" and together the "Parties") agree as follows:

AGREEMENT**1. Effective Date.**

Employee's employment under the terms of this Agreement shall commence on the Effective Date.

2. At-will Employment.

Employee's employment relationship with the Company under this Agreement ("Employment") is at-will, terminable at any time and for any reason by either the Company or Employee. While certain sections of this Agreement describe events that could occur at a particular time in the future, nothing in this Agreement shall be construed as a guarantee of employment of any length.

3. Employment Duties.

a. Title/Responsibilities. Employee shall be the Chief Financial Officer of the Company, reporting to the Chief Executive Officer and President (the "CEO") of the Company. Employee shall perform all of the duties and responsibilities of such offices set forth in the Bylaws of the Company and those commonly associated with such offices and such further duties and responsibilities as may from time to time be assigned to him by the Board or the CEO.

b. Full-Time Attention. Employee shall devote his full time, attention, energy and skills to the Company during the period he is employed under this Agreement.

c. Policy Compliance. Employee shall comply with all of the Company's policies, practices and procedures, as well as, all applicable laws. Employee has previously executed and delivered to the Company the Confidentiality and Inventions Assignment Agreement (the "Confidentiality and Inventions Assignment Agreement") attached hereto as Exhibit 1.

4. Compensation.

a. Base Salary. The Company shall pay Employee a base salary of \$225,000 per year, or such higher amount as the Board may determine from time to time, less applicable federal and state withholding taxes, in accordance with the Company's regular payroll practices (the "Base Salary").

b. Annual Bonus Compensation. In addition to the Base Salary, Employee will be eligible to receive an incentive bonus (the "Bonus") at an initial target for CY 2014 of 50% of Base Salary.

c. Stock Options. As soon as practicable following the execution of this Agreement, the Company shall grant to Employee stock options to purchase an aggregate of 500,000 shares of the Company's common stock (the "Stock Option"). The Stock Option shall vest as follows: 25% of the original number of shares subject to the Stock Option shall be fully vested on the date of grant, and the remaining shares subject to the Stock Option shall vest in twenty-four (24) equal monthly installments with vesting to commence on the Effective Date, subject to Employee's continued service to the Company through each such vesting date, so that all of the shares subject to the Stock Option shall be vested on the second (2nd) anniversary of the Effective Date. Notwithstanding the foregoing, the Stock Option shall become fully vested and exercisable, in the event of Employee's termination of employment by the Company without Cause (as defined below), or Employee's Resignation for Good Reason (as defined below), in each case following a Change in Control (as defined below). The Stock Option will be granted pursuant to the Company's 2013 Equity Incentive Plan (the "Plan"). The Stock Option will have an exercise price per share equal to the then-current fair market value per share of the common stock of the Company (as determined pursuant to the Plan) on the date the grant is approved by the Board. The Stock Option shall be an incentive stock option to the extent permitted under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"). The Stock Option shall have a ten-year term and shall be subject to the terms and conditions of the Plan and the stock option agreement pursuant to which the Stock Option is granted.

d. Additional Equity Awards. Employee shall be entitled to participate in any equity or other employee benefit plan that is generally available to senior executive officers, as distinguished from general management, of the Company. Except as otherwise provided in this Agreement, Employee's participation in and benefits under any such plan shall be on the terms and subject to the conditions specified in the governing document of the particular plan.

e. Employee Benefits. Employee shall be entitled to participate in all employee benefit plans, programs and arrangements maintained by the Company and made available to employees generally, including, without limitation, bonus, retirement, profit sharing and savings plans and medical, disability, dental, life and accidental death and dismemberment insurance plans.

f. Reimbursement of Expenses. During his Employment with the Company, Employee shall be entitled to reimbursement for all reasonable and necessary business expenses incurred on behalf of the Company, including without limitation, travel and entertainment expenses, business supplies and communication expenses, in accordance with the Company's policies and procedures.

5. Voluntary Resignation or Termination for “Cause.”

a. Payment upon Voluntary Resignation other than for Good Reason or Termination for Cause. If Employee voluntarily resigns his Employment other than for Good Reason or if Employee is terminated for Cause, the Company shall pay Employee the following: (i) all accrued and unpaid Base Salary, if any is due, through the date of termination and any vacation which is accrued but unused as of such date; (ii) Employee’s business expenses that are reimbursable pursuant to this Agreement and Company policies, but which have not been reimbursed by the Company as of the date of termination; and (iii) the Employee’s Bonus compensation for the calendar year immediately preceding the year in which the date of termination occurs if such Bonus has been determined but not paid as of the date of termination (payable at the time such Bonus would otherwise have been paid to Employee, but in no event later than March 15 of the year in which the date of termination occurs) (collectively, the “Accrued Obligations”). Employee shall not be eligible for severance payments under Sections 6, 7 or 8 below, or any continuation of benefits (other than as required by law), or any other compensation pursuant to this Agreement or otherwise.

b. Definition of “Cause.” As set forth above, the employment relationship between the Parties is at-will, terminable at any time by either Party for any reason or no reason. The termination may nonetheless be for “Cause”. For purposes of this Agreement, “Cause” is defined as the Company’s good faith determination of: (i) Employee’s material breach of this Agreement or the Confidentiality and Inventions Assignment Agreement or the definitive agreements relating to the Stock Option referenced in Section 4(c) above; (ii) Employee’s continued substantial and material failure or refusal to perform according to, or to comply with, the policies, procedures or practices established by the Company; (iii) the appropriation (or attempted appropriation) of a material business opportunity of the Company, including attempting to secure or securing any personal profit in connection with any transaction entered into on behalf of the Company; (iv) the misappropriation (or attempted appropriation) of any of the Company’s funds or property of any kind; (v) willful gross misconduct; or (vi) Employee’s conviction of a felony involving moral turpitude that is likely to inflict or has inflicted material injury on the business of the Company; provided, however, that except for Cause being the result of item (vi) above, the Company shall provide written notice to Employee, which notice specifically identifies the nature of the alleged Cause claimed by the Company with enough specificity for Employee to be able to cure, and Employee shall thereafter have fifteen (15) days to cure the purported ground(s) for Cause.

c. Definition of “Good Reason.” For purposes of this Agreement, “Good Reason” and “Resignation for Good Reason” are defined as:

- i. a material reduction in Employee’s authority, duties or responsibilities relative to Employee’s authority, duties or responsibilities in effect immediately prior to such reduction; as set forth in this Agreement;
- ii. a material reduction by the Company in Employee’s base salary relative to Employee’s base salary in effect immediately prior to such reduction (and the Parties agree that a reduction of ten percent (10%) or more will be considered material for purposes of this clause (ii)), other than a general reduction in the base salaries of similarly-situated employees of the Company;
- iii. a relocation of Employee’s or the Company’s principal

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- executive offices to a location outside of San Diego County, if Employee's principal office is at such offices; or
- iv. the Company's material breach of this Agreement;

provided, however, that Employee must provide written notice to the Board of the condition that could constitute a "Good Reason" event within ninety (90) days of the initial existence of such condition and such condition must not have been remedied by the Company within thirty (30) days (the "Cure Period") of such written notice. Employee's Resignation for Good Reason must occur within six (6) months following the initial existence of such condition.

6. Termination Without "Cause" or "Resignation for Good Reason". In the event Employee is terminated without Cause or resigns for Good Reason, Employee shall be entitled to:

a. the Accrued Obligations; plus

b. subject to Employee's execution and non-revocation of a full and final Release (as defined in Section 9 below) and Employee's continued compliance with the Confidentiality and Inventions Assignment Agreement, severance pay in an amount equal to six (6) months' Base Salary as in effect immediately prior to the date of termination, payable in a lump sum on the date that is thirty (30) days following the date of termination; plus

c. subject to Employee's execution and non-revocation of a full and final Release and Employee's continued compliance with the Confidentiality and Inventions Assignment Agreement, for the period beginning on the date of Employee's termination of employment and ending on the date which is six (6) full months following the date of Employee's termination of employment (or, if earlier, the date on which the applicable continuation period under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") expires) (the "COBRA Coverage Period"), the Company shall arrange to provide Employee and his eligible dependents who were covered under the Company's health insurance plans as of the date of Employee's termination of employment with health (including medical and dental) insurance benefits substantially similar to those provided to Employee and his dependents immediately prior to the date of such termination. If the Company is not reasonably able to continue health insurance benefits coverage under the Company's insurance plans, the Company shall provide substantially equivalent coverage under other third-party insurance sources. If any of the Company's health benefits are self-funded as of the date of Employee's termination of employment, or if the Company cannot provide the foregoing benefits in a manner that is exempt from or otherwise compliant with applicable law (including, without limitation, Section 409A of the Code and Section 2716 of the Public Health Service Act), instead of providing continued health insurance benefits as set forth above, the Company shall instead pay to Employee an amount equal to the monthly premium payment for Employee and his eligible dependents who were covered under the Company's health plans as of the date of Employee's termination of employment (calculated by reference to the premium as of the date of termination) as currently taxable compensation in substantially equal monthly installments over the COBRA Coverage Period (or the remaining portion thereof).

7. Employee's Disability or Death. Employee's employment shall terminate automatically in the event of Employee's death or termination of employment by reason of his "Disability." In the event of Employee's death or termination of employment as a result of Employee's Disability, Employee or his heirs shall be entitled to (a) the Accrued Obligations,

plus (b) payment of an amount equal to Employee's "earned" Bonus for the calendar year during which Employee's date of termination occurs calculated as of the date of termination (wherein "earned" means that Employee has met the applicable bonus metrics as of date of such termination, as determined by the Board), prorated for such portion of the calendar year during which such termination occurs that has elapsed through the date of termination, payable in a lump sum on the date that is thirty (30) days following the date of termination. For purposes of this Agreement, "Disability" shall mean the Employee's failure to perform his duties hereunder, for a period of not less than one hundred twenty (120) consecutive days because of Employee's incapacitation due to physical or mental injury, disability, or illness.

8. Change in Control Termination.

a. Payment Upon Change in Control Termination. In the event of a "Change in Control Termination", as defined below, Employee shall be entitled to:

- i. the Accrued Obligations; plus
- ii. subject to Employee's execution and non-revocation of a full and final Release and Employee's continued compliance with the Confidentiality and Inventions Assignment Agreement, severance pay in an amount equal to the sum of (A) twelve (12) months' Base Salary as in effect immediately prior to the date of termination, plus (B) Employee's target Bonus for the calendar year during which such date of termination occurs, payable in a lump sum on the date that is thirty (30) days following the date of termination; plus
- iii. subject to Employee's execution and non-revocation of a full and final Release and Employee's continued compliance with the Confidentiality and Inventions Assignment Agreement, for the period beginning on the date of Employee's termination of employment and ending on the date which is eighteen (18) full months following the date of Employee's termination of employment (or, if earlier, the date on which the applicable continuation period under COBRA expires) (the "CIC COBRA Coverage Period"), the Company shall arrange to provide Employee and his eligible dependents who were covered under the Company's health insurance plans as of the date of Employee's termination of employment with health (including medical and dental) insurance benefits substantially similar to those provided to Employee and his dependents immediately prior to the date of such termination. If the Company is not reasonably able to continue health insurance benefits coverage under the Company's insurance plans, the Company shall provide substantially equivalent coverage under other third-party insurance sources. If any of the Company's health benefits are self-funded as of the date of Employee's termination of employment, or if the Company cannot provide the foregoing benefits in a manner that is exempt from or otherwise compliant with applicable law (including, without limitation, Section 409A of the Code and Section 2716 of the Public Health Service Act), instead of providing continued health insurance benefits as set

forth above, the Company shall instead pay to Employee an amount equal to the monthly premium payment for Employee and his eligible dependents who were covered under the Company's health plans as of the date of Employee's termination of employment (calculated by reference to the premium as of the date of termination) as currently taxable compensation in substantially equal monthly installments over the CIC COBRA Coverage Period (or the remaining portion thereof).

b. Definition of "Change in Control Termination". A "Change in Control Termination" occurs if Employee (i) is terminated without Cause, or (ii) terminates his employment pursuant to a Resignation for Good Reason, in each case within twelve (12) months following a "Change in Control" (as defined below). For purposes of this Agreement, a "Change in Control" means the occurrence of any of the following events:

- i. Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) (other than the Company, any of its subsidiaries, or any existing shareholder of the Company) becomes the "beneficial owner" (as defined in Rule 13d-3 of the Securities and Exchange Act of 1934, as amended), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- ii. The consummation of the sale, liquidation or disposition by the Company of all or substantially all of the Company's assets; or
- iii. The consummation of a merger, consolidation, reorganization or other similar transaction involving the Company ("Transaction") in each case, in which the voting securities of the Company outstanding immediately prior thereto do not continue to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such Transaction.

In addition, if a Change in Control constitutes a payment event with respect to any payment under this Agreement which provides for the deferral of compensation and is subject to Section 409A of the Code, the transaction or event described in clause (i), (ii) or (iii) with respect to such payment must also constitute a "change in control event," as defined in Treasury Regulation Section 1.409A-3(i)(5) to the extent required by Section 409A of the Code.

9. Release. Notwithstanding any provision to the contrary in this Agreement, no amount shall be paid or benefit provided pursuant to Section 6 or Section 8 (other than the Accrued Obligations) and no accelerated vesting of the Stock Option shall occur as a result of Employee's termination of employment pursuant to Section 4(c) unless, on or prior to the thirtieth (30th) day following the date of Employee's termination of employment, an effective general release of claims agreement (the "Release") in substantially the form attached hereto as Exhibit 2 has been executed by Employee and remains effective on such date and any applicable revocation period thereunder has expired.

10. Notices. Any reports, notices or other communications required or permitted to be given by either Party hereto, shall be given in writing by personal delivery, overnight courier service, or by registered or certified mail, postage prepaid, return receipt requested, addressed to

each respective Party at the address shown below:

If to Company:

AIRGAIN, INC.
1930 Palomar Point Way, Suite 107
Carlsbad, CA 92008
Fax: (760) 579-0892
Attn: Chairman of the Board

If to Employee:

Leo Johnson

11. Notice of Termination. Any purported termination of Employment by the Company or the Employee shall be communicated by written Notice of Termination to the other Party. For purposes of this Agreement, a “Notice of Termination” shall mean a notice which indicates, if applicable, the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Employee’s employment under the provision so indicated. For purposes of this Agreement, no such purported termination of employment shall be effective without delivery of such a Notice of Termination.

12. General Provisions.

a. Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to the conflicts of laws principles thereof. Employee and the Company agree that any litigation regarding this Agreement shall be conducted in San Diego, California. Employee and the Company hereby consent to the jurisdiction of the courts of the State of California and the United States District Court for the Southern District of California.

b. Assignment; Assumption by Successor. The rights of the Company under this Agreement may, without the consent of Employee, be assigned by the Company, in its sole and unfettered discretion, to any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly, acquires all or substantially all of the assets or business of the Company. The Company will require any successor (whether direct or indirect, by purchase, merger or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and to agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place; provided, however, that no such assumption shall relieve the Company of its obligations hereunder. As used in this Agreement, the “Company” shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law or otherwise.

c. No Waiver of Breach. The failure to enforce any provision of this

Agreement shall not be construed as a waiver of any such provision, nor prevent a Party thereafter from enforcing the provision or any other provision of this Agreement. The rights granted the Parties are cumulative, and the election of one shall not constitute a waiver of such Party's right to assert all other legal and equitable remedies available under the circumstances.

d. Severability. The provisions of this Agreement are severable, and if any provision shall be held to be invalid or otherwise unenforceable, in whole or in part, the remainder of the provisions, or enforceable parts of this Agreement, shall not be affected.

e. Entire Agreement. This Agreement and the Confidentiality and Inventions Assignment Agreement constitute the entire agreement of the Parties with respect to the subject matter of this Agreement and supersede all prior and contemporaneous negotiations, agreements and understandings between the Parties, whether oral or written, including, without limitation, any offer letter between the parties.

f. Modifications and Waivers. No modification or waiver of this Agreement shall be valid unless in writing, signed by the Party against whom such modification or waiver is sought to be enforced.

g. Amendment. This Agreement may be amended or supplemented only by a writing signed by both of the Parties hereto.

h. Duplicate Counterparts; Facsimile. This Agreement may be executed in duplicate counterparts, each of which shall be deemed an original; provided, however, such counterparts shall together constitute only one agreement. Facsimile signatures or signatures sent via electronic mail shall be as effective as original signatures.

i. Interpretation. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

j. Non-transferability of Interest. None of the rights of Employee to receive any form of compensation payable pursuant to this Agreement shall be assignable or transferable except through a testamentary disposition or by the laws of descent and distribution upon the death of Employee. Any attempted assignment, transfer, conveyance, or other disposition (other than as aforesaid) of any interest in the rights of Employee to receive any form of compensation to be made by the Company pursuant to this Agreement shall be void.

k. Construction. The language in all parts of this Agreement shall in all cases be construed simply, according to its fair meaning, and not strictly for or against any of the parties hereto. Without limitation, there shall be no presumption against any party on the ground that such party was responsible for drafting this Agreement or any part thereof.

l. Section 409A.

i. Notwithstanding anything to the contrary in this Agreement, no payment or benefit to be paid or provided to Employee upon his termination of employment, if any, pursuant to this Agreement that, when considered together with any other payments or benefits, are considered deferred compensation under Section 409A (together, the "Deferred Payments") will be paid or otherwise provided until Employee has a "separation from service" within the meaning of Section 409A. Similarly, no amounts payable to Employee, if any, pursuant to this Agreement that otherwise would be exempt from Section 409A pursuant to

Treasury Regulation Section 1.409A-1(b)(9) will be payable until Employee has a "separation from service" within the meaning of Section 409A.

ii. Notwithstanding anything to the contrary in this Agreement, if Employee is a "specified employee" within the meaning of Section 409A at the time of Employee's termination of employment (other than due to death), then the Deferred Payments that are payable within the first six (6) months following Employee's separation from service, will become payable on the first payroll date that occurs on or after the date six (6) months and one (1) day following the date of Employee's separation from service. All subsequent Deferred Payments, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if Employee dies following Employee's separation from service, but prior to the six (6) month anniversary of the separation from service, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of Employee's death and all other Deferred Payments will be payable in accordance with the payment schedule applicable to each payment or benefit. Each payment and benefit payable under this Agreement is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

iii. Any amount paid under this Agreement that satisfies the requirements of the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations will not constitute a Deferred Payment for purposes of clauses (i) and (ii) above.

iv. Any amount paid under this Agreement that qualifies as a payment made as a result of an involuntary separation from service pursuant to Section 1.409A-1(b)(9)(iii) of the Treasury Regulations that does not exceed the limits set forth therein will not constitute a Deferred Payment for purposes of clauses (i) and (ii) above.

v. This Agreement is intended to be written, administered, interpreted and construed in a manner such that no payment or benefits provided under the Agreement become subject to (A) the gross income inclusion set forth within Code Section 409A(a)(1)(A) or (B) the interest and additional tax set forth within Code Section 409A(a)(1)(B) (together, referred to herein as the "Section 409A Penalties"), including, where appropriate, the construction of defined terms to have meanings that would not cause the imposition of Section 409A Penalties. In no event shall the Company be required to provide a tax gross-up payment to Employee or otherwise reimburse Employee with respect to Section 409A Penalties. The Company and Employee agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any Section 409A Penalties on Employee.

vi. Any reimbursement of expenses or in-kind benefits payable under this Agreement shall be made in accordance with Treasury Regulation Section 1.409A-3(i)(1)(iv) and shall be paid on or before the last day of Employee's taxable year following the taxable year in which Employee incurred the expenses. The amount of expenses reimbursed or in-kind benefits payable in one year shall not affect the amount eligible for reimbursement or in-kind benefits payable in any other taxable year of Employee's, and Employee's right to reimbursement for such amounts shall not be subject to liquidation or exchange for any other benefit.

(Signature Page Follows)

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date(s) set forth below.

Dated: July 28, 2014

AIRGAIN, INC.

By: /s/ Charles A. Myers

Name: Charles A. Myers

Title: CEO

EMPLOYEE

Dated: July 28, 2014

/s/ Leo Johnson
LEO JOHNSON

EXHIBIT 2

GENERAL RELEASE OF CLAIMS

[The language in this Release may change based on legal developments and evolving best practices; this form is provided as an example of what will be included in the final Release document.]

This General Release of Claims ("Release") is entered into as of this day of , , between LEO JOHNSON ("Employee"), and AIRGAIN, INC., a California corporation (the "Company") (collectively referred to herein as the "Parties").

WHEREAS, Employee and the Company are parties to that certain Employment Agreement effective as of July 28, 2014 (the "Agreement");

WHEREAS, the Parties agree that Employee is entitled to certain severance benefits under the Agreement, subject to Employee's execution of this Release; and

WHEREAS, the Company and Employee now wish to fully and finally to resolve all matters between them.

NOW, THEREFORE, in consideration of, and subject to, the severance benefits payable to Employee pursuant to the Agreement, the adequacy of which is hereby acknowledged by Employee, and which Employee acknowledges that he would not otherwise be entitled to receive, Employee and the Company hereby agree as follows:

1. General Release of Claims by Employee.

(a) Employee, on behalf of himself and his executors, heirs, administrators, representatives and assigns, hereby agrees to release and forever discharge the Company and all predecessors, successors and their respective parent corporations, affiliates, related, and/or subsidiary entities, and all of their past and present investors, directors, shareholders, officers, general or limited partners, employees, attorneys, agents and representatives, and the employee benefit plans in which Employee is or has been a participant by virtue of his employment with or service to the Company (collectively, the "Company Releasees"), from any and all claims, debts, demands, accounts, judgments, rights, causes of action, equitable relief, damages, costs, charges, complaints, obligations, promises, agreements, controversies, suits, expenses, compensation, responsibility and liability of every kind and character whatsoever (including attorneys' fees and costs), whether in law or equity, known or unknown, asserted or unasserted, suspected or unsuspected (collectively, "Claims"), which Employee has or may have had against such entities based on any events or circumstances arising or occurring on or prior to the date hereof or on or prior to the date hereof, arising directly or indirectly out of, relating to, or in any other way involving in any manner whatsoever Employee's employment by or service to the Company or the termination thereof, including any and all claims arising under federal, state, or local laws relating to employment, including without limitation claims of wrongful discharge, breach of express or implied contract, fraud, misrepresentation, defamation, or liability in tort, and claims of any kind that may be brought in any court or administrative agency including, without

limitation, claims under Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. Section 2000, et seq.; the Americans with Disabilities Act, as amended, 42 U.S.C. § 12101 et seq.; the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 701 et seq.; the Civil Rights Act of 1866, and the Civil Rights Act of 1991; 42 U.S.C. Section 1981, et seq.; the Age Discrimination in Employment Act, as amended, 29 U.S.C. Section 621, et seq. (the “ADEA”); the Equal Pay Act, as amended, 29 U.S.C. Section 206(d); regulations of the Office of Federal Contract Compliance, 41 C.F.R. Section 60, et seq.; the Family and Medical Leave Act, as amended, 29 U.S.C. § 2601 et seq.; the Fair Labor Standards Act of 1938, as amended, 29 U.S.C. § 201 et seq.; the Employee Retirement Income Security Act, as amended, 29 U.S.C. § 1001 et seq.; and the California Fair Employment and Housing Act, California Government Code Section 12940, et seq.

Notwithstanding the generality of the foregoing, Employee does not release the following claims:

- (i) Claims for unemployment compensation or any state disability insurance benefits pursuant to the terms of applicable state law;
- (ii) Claims for workers’ compensation insurance benefits under the terms of any worker’s compensation insurance policy or fund of the Company;
- (iii) Claims pursuant to the terms and conditions of the federal law known as COBRA;
- (iv) Claims for indemnity under the bylaws of the Company, as provided for by California law or under any applicable insurance policy with respect to Employee’s liability as an employee, director or officer of the Company;
- (v) Claims based on any right Employee may have to enforce the Company’s executory obligations under the Agreement; and
- (vi) Claims Employee may have to vested or earned compensation and benefits.

(b) EMPLOYEE ACKNOWLEDGES THAT HE HAS BEEN ADVISED OF AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH, IF KNOWN BY HIM OR HER, MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”

BEING AWARE OF SAID CODE SECTION, EMPLOYEE HEREBY EXPRESSLY WAIVES ANY RIGHTS HE MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER

[Note: Clauses (c), (d) and (e) apply only if Employee is age 40 or older at time of termination]

(c) Employee acknowledges that this Release was presented to him on the date indicated above and that Employee is entitled to have twenty-one (21) days' time in which to consider it. Employee further acknowledges that the Company has advised him that he is waiving his rights under the ADEA, and that Employee should consult with an attorney of his choice before signing this Release, and Employee has had sufficient time to consider the terms of this Release. Employee represents and acknowledges that if Employee executes this Release before twenty-one (21) days have elapsed, Employee does so knowingly, voluntarily, and upon the advice and with the approval of Employee's legal counsel (if any), and that Employee voluntarily waives any remaining consideration period.

(d) Employee understands that after executing this Release, Employee has the right to revoke it within seven (7) days after his execution of it. Employee understands that this Release will not become effective and enforceable unless the seven (7) day revocation period passes and Employee does not revoke the Release in writing. Employee understands that this Release may not be revoked after the seven (7) day revocation period has passed. Employee also understands that any revocation of this Release must be made in writing and delivered to the Company at its principal place of business within the seven (7) day period.

(e) Employee understands that this Release shall become effective, irrevocable, and binding upon Employee on the eighth (8th) day after his execution of it, so long as Employee has not revoked it within the time period and in the manner specified in clause (d) above.

(f) Employee further understands that Employee will not be given any severance benefits under the Agreement unless this Release is effective on or before the date that is thirty (30) days following the date of Employee's termination of employment.

2. No Assignment. Employee represents and warrants to the Company Releasees that there has been no assignment or other transfer of any interest in any Claim that Employee may have against the Company Releasees. Employee agrees to indemnify and hold harmless the Company Releasees from any liability, claims, demands, damages, costs, expenses and attorneys' fees incurred as a result of any such assignment or transfer from Employee.

3. Severability. In the event any provision of this Release is found to be unenforceable by an arbitrator or court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to allow enforceability of the provision as so limited, it being intended that the parties shall receive the benefit contemplated herein to the fullest extent permitted by law. If a deemed modification is not satisfactory in the judgment of such arbitrator or court, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

4. Interpretation; Construction. The headings set forth in this Release are for convenience only and shall not be used in interpreting this Agreement. This Release has been drafted by legal counsel representing the Company, but Employee has participated in the negotiation of its terms. Furthermore, Employee acknowledges that Employee has had an opportunity to review and revise the Release and have it reviewed by legal counsel, if desired, and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Release. Either party's failure to enforce any provision of this Release shall not in any way be construed as a waiver of any such provision, or prevent that party thereafter from enforcing each and every other provision of this Release.

5. Governing Law; Venue. This Release shall be governed by and construed in accordance with the laws of the State of California without regard to the conflicts of laws principles thereof. Employee and the Company agree that any litigation regarding this Release shall be conducted in San Diego, California. Employee and the Company hereby consent to the jurisdiction of the courts of the State of California and the United States District Court for the Southern District of California.

6. Entire Agreement. This Release and the Agreement constitute the entire agreement of the Parties in respect of the subject matter contained herein and therein and supersede all prior or simultaneous representations, discussions, negotiations and agreements, whether written or oral. This Release may be amended or modified only with the written consent of Employee and an authorized representative of the Company. No oral waiver, amendment or modification will be effective under any circumstances whatsoever.

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

(Signature Page Follows)

IN WITNESS WHEREOF, the Parties have executed this Release as of the date(s) set forth below.

Dated: _____

AIRGAIN, INC.

By: _____

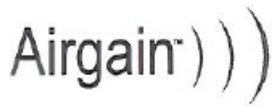
Name: _____

Title: _____

EMPLOYEE

Dated: _____

LEO JOHNSON



SERVICES AGREEMENT

This services agreement (this "Agreement") is entered into as of December 4, 2012 (the "Effective Date") by and between Airgain Inc. (the "Company") with an address of 1930 Palomar Point Way, Suite 107 Carlsbad, CA, 92008, United States of America and Leo Johnson (the "Consultant") with an address at

RECITALS

1. Consultant has expertise in the area which is of interest to the Company and Consultant is willing to provide consulting services to Company subject to the terms in "Exhibit A" hereto.
2. Company is willing to engage Consultant as an independent contractor, and not as an employee, on the terms and conditions set forth herein.

AGREEMENT

In consideration of the foregoing and of the mutual promises set forth herein, and intending to be legally bound, the parties hereto agree as follows:

1. Engagement.

(a) Company hereby engages Consultant to render, as an independent contractor, the consulting services described in "Exhibit A" hereto and such other services as may be agreed to in writing by Company and Consultant from time to time.

(b) Consultant hereby accepts the engagement to provide consulting services to Company on the terms and conditions set forth herein and in "Exhibit A".

2. Term. This Agreement will commence on the date first written above, and unless modified by the mutual written agreement of the parties, shall continue until one year thereafter. Either Party may terminate this Agreement for any reason upon 30 days written notice.

3. Compensation.

(a) In consideration of the services to be performed by Consultant, Company agrees to pay Consultant in the manner and at the rates set forth in "Exhibit A".

(b) The Company shall reimburse Consultant for long distance telephone, telecopy, courier, printing, photography and reproduction charges, "economy" class lodging, and travel expenses, and other reasonable business expenses, at actual cost, related to the performance of Consultant's duties under this Agreement. Consultant shall procure Company's prior written approval before incurring any expense in excess of US\$1,000 (one thousand United States Dollars) in accordance with the following procedure: Consultant must submit a letter or email describing the expenses. The letter must be signed or a return email sent by a Vice President of the Company.

4. Representations and Warranties. Consultant represents and warrants that Consultant has not entered into any agreement (whether oral or written) in conflict with this Agreement.

5. Obligation to Hold Information Confidential. The details of this obligation to hold information confidential are governed by a separate Consultant Proprietary Information and Inventions Agreement (the "CPII Agreement") executed by the parties on the Effective Date.

6. Governing Law; Forum. This Agreement is governed in all respects by the laws of the United States of America and the State of California as such laws are applied to agreements entered into and to be performed entirely within California between California residents. The parties consent to venue in, and the exclusive jurisdiction of, the state and federal courts located in San Diego County, California. The prevailing party in any proceeding or lawsuit regarding this Agreement shall be entitled to receive its costs, expert witness fees, and reasonable attorney's fees, including costs and fees on appeal.

7. Entire Agreement. This Agreement and the CPII Agreement contain the entire understanding and agreement between the parties hereto with respect to its subject matter and supersedes any prior or

contemporaneous written or oral agreements, representations or warranties between them respecting the subject matter hereof.

8. Amendment. This Agreement may be amended only by a writing signed by Consultant and by a representative of Company duly authorized.

9. Severability. If any term, provision, covenant or condition of this Agreement, or the application thereof to any person, place or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement and such term, provision, covenant or condition as applied to other persons, places and circumstances shall remain in full force and effect.

10. Rights Cumulative. The rights and remedies provided by this Agreement are cumulative, and the exercise of any right or remedy by either party hereto (or by its successors), whether pursuant to this Agreement, to any other agreement, or to law, shall not preclude or waive its right to exercise any or all other rights and remedies.

11. Non waiver. No failure or neglect of either party hereto in any instance to exercise any right, power or privilege hereunder or under law shall constitute a waiver of any other right, power or privilege or of the same right, power or privilege in any other instance. All waivers by either party hereto must be contained in a written instrument signed by the party to be charged and, in the case of Company, by an executive officer of Company or other person duly authorized by Company.

12. Agreement to Perform Necessary Acts. The parties hereto agree to perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Agreement.

13. Assignment. This Agreement may not be assigned by Consultant without Company prior written consent. This Agreement may be assigned by Company in connection with a merger or sale of all or substantially all of its assets, and in other instances with the Consultant's consent which consent shall not be unreasonably withheld or delayed.

14. Compliance with Law. In connection with his services rendered hereunder, Consultant agrees to abide by all federal, state, and local laws, ordinances and regulations.

15. Independent Contractor. The relationship between Consultant and Company is that of independent contractor under a "work for hire" arrangement. All work products, inventions and any intellectual property related thereto developed by Consultant shall be deemed owned by and shall be assigned to Company. This Agreement is not authority for Consultant to act for Company as its agent or make commitments for Company. Consultant will not be eligible for any employee benefits, nor will Company make deductions from fees to the Consultant for taxes, insurance, bonds or the like. Consultant retains the discretion in performing the tasks assigned, within the scope of work specified.

Company: Airgain Inc.

Consultant:

By: /s/ Charles A. Myers
Name: Charles A. Myers
Title: CEO

By: /s/ Leo Johnson
Name: Leo Johnson
Title: Consultant

Exhibit A

Description of Services to be Rendered

Services pertaining to Airgain's business as specifically agreed by email or other written communication between the parties. These may include:

Services

Leo Johnson will provide Services of which time will focus on the following objectives:

1. Investment/Financing Activities - Work with the Company to enhance and maintain investor presentation materials, investment scenarios, and provide leverage to legal counsel with coordination of due diligence and documentation of shareholder agreements.
2. Financial Model - Work with the Company to enhance and maintain a multi-year comprehensive financial model based on key business assumptions, goals and objectives, industry metrics, etc.
3. Corporate and Financial Due Diligence - review and assess current corporate documentation including charter, bylaws, board and shareholders actions & consents, etc., and financial information including financial statements.
4. Financial Reporting and Accounting - Enhance and maintain required infrastructure of systems, policies and processes for revenue recognition and reporting, and prepare and deliver appropriate reporting for investor relations and internal management purposes; oversight of the Company's accounting and bookkeeping function.
5. Banking - Manage treasury activities and cash flow, including bank relationship and any business financing including growth capital, lease facilities, or vendor financing.
6. Operations - Assist the Company with direct ion of key service partners including CPA, insurance, real estate, payroll, benefits, etc., and provide leadership to daily operating issues including planning, organizational development, human resources, audit and tax compliance, negotiation with vendor and customer agreements, etc.
7. Equity - Maintain stock incentive plan, coordinate option grants, and maintain capitalization tables.
8. Other - Preparation for and attendance in company related meetings, etc.

Hours and Compensation

Working hours shall be limited to 40 hours per week unless explicit authorization is granted by the Company's Chief Executive Officer. Compensation shall be as follows:

1. Consulting fee of \$25,000.00 per month



EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT ("Agreement"), effective as of January 1, 2014 (the "Effective Date"), is made by and between AIRGAIN, INC. (the "Company"), and GLENN SELBO ("Employee").

WHEREAS, Employee is employed by the Company as its Chief Operating Officer;

WHEREAS, the Board of Directors of the Company (the "Board") has determined that it is in the best interests of the Company and its shareholders to continue to employ Employee as the Company's Chief Operating Officer under revised terms and conditions; and

WHEREAS, Employee desires to continue as the Company's Chief Operating Officer and to accept such revised terms and conditions of employment as are contained in this Agreement.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein and for other good and valuable consideration, the receipt of which is mutually acknowledged, the Company and Employee (individually a "Party" and together the "Parties") agree as follows:

AGREEMENT

1. Effective Date.

Employee's employment under the terms of this Agreement shall commence on the Effective Date.

2. At-will Employment.

Employee's employment relationship with the Company under this Agreement ("Employment") is at-will, terminable at any time and for any reason by either the Company or Employee. While certain sections of this Agreement describe events that could occur at a particular time in the future, nothing in this Agreement shall be construed as a guarantee of employment of any length.

3. Employment Duties.

a. Title/Responsibilities. Employee shall be the Chief Operating Officer of the Company, reporting to the Chief Executive Officer and President (the "CEO") of the Company. Employee shall perform all of the duties and responsibilities of such offices set forth in the Bylaws of the Company and those commonly associated with such offices and such further duties and responsibilities as may from time to time be assigned to him by the Board or the CEO.

b. Full-Time Attention. Employee shall devote his full time, attention, energy and skills to the Company during the period he is employed under this Agreement.

c. Policy Compliance. Employee shall comply with all of the Company's policies, practices and procedures, as well as, all applicable laws. Employee has previously executed and delivered to the Company the Confidentiality and Inventions Assignment

Agreement (the “Confidentiality and Inventions Assignment Agreement”) attached hereto as Exhibit 1.

4. Compensation.

- a. Base Salary. The Company shall pay Employee a base salary of \$225,000 per year, or such higher amount as the Board may determine from time to time, less applicable federal and state withholding taxes, in accordance with the Company’s regular payroll practices (the “Base Salary”).
- b. Annual Bonus Compensation. In addition to the Base Salary, Employee will be eligible to receive an incentive bonus (the “Bonus”) at an initial target for CY 2014 of 50% of Base Salary.
- c. Stock Options. As soon as practicable following the execution of this Agreement, the Company shall grant to Employee stock options to purchase an aggregate of 225,000 shares of the Company’s common stock (the “Stock Option”). The Stock Option shall vest as follows: 25% of the original number of shares subject to the Stock Option shall vest on each of the first four anniversaries of the date of grant, subject to Employee’s continued service to the Company through each such vesting date, so that all of the shares subject to the Stock Option shall be vested on the fourth (4th) anniversary of the date of grant. Notwithstanding the foregoing, the Stock Option shall become fully vested and exercisable, in the event of Employee’s termination of employment by the Company without Cause (as defined below), or Employee’s Resignation for Good Reason (as defined below), in each case following a Change in Control (as defined below). The Stock Option will be granted pursuant to the Company’s 2013 Equity Incentive Plan (the “Plan”). The Stock Option will have an exercise price per share equal to the then-current fair market value per share of the common stock of the Company (as determined pursuant to the Plan) on the date the grant is approved by the Board. The Stock Option shall be an incentive stock option to the extent permitted under Section 422 of the Internal Revenue Code of 1986, as amended (the “Code”). The Stock Option shall have a ten-year term and shall be subject to the terms and conditions of the Plan and the stock option agreement pursuant to which the Stock Option is granted.
- d. Additional Equity Awards. Employee shall be entitled to participate in any equity or other employee benefit plan that is generally available to senior executive officers, as distinguished from general management, of the Company. Except as otherwise provided in this Agreement, Employee’s participation in and benefits under any such plan shall be on the terms and subject to the conditions specified in the governing document of the particular plan.
- e. Employee Benefits. Employee shall be entitled to participate in all employee benefit plans, programs and arrangements maintained by the Company and made available to employees generally, including, without limitation, bonus, retirement, profit sharing and savings plans and medical, disability, dental, life and accidental death and dismemberment insurance plans.
- f. Reimbursement of Expenses. During his Employment with the Company, Employee shall be entitled to reimbursement for all reasonable and necessary business expenses incurred on behalf of the Company, including without limitation, travel and entertainment expenses, business supplies and communication expenses, in accordance with the Company’s policies and procedures.

5. Voluntary Resignation or Termination for “Cause.”

a. Payment upon Voluntary Resignation other than for Good Reason or Termination for Cause. If Employee voluntarily resigns his Employment other than for Good Reason or if Employee is terminated for Cause, the Company shall pay Employee the following: (i) all accrued and unpaid Base Salary, if any is due, through the date of termination and any vacation which is accrued but unused as of such date; (ii) Employee’s business expenses that are reimbursable pursuant to this Agreement and Company policies, but which have not been reimbursed by the Company as of the date of termination; and (iii) the Employee’s Bonus compensation for the calendar year immediately preceding the year in which the date of termination occurs if such Bonus has been determined but not paid as of the date of termination (payable at the time such Bonus would otherwise have been paid to Employee, but in no event later than March 15 of the year in which the date of termination occurs) (collectively, the “Accrued Obligations”). Employee shall not be eligible for severance payments under Sections 6, 7 or 8 below, or any continuation of benefits (other than as required by law), or any other compensation pursuant to this Agreement or otherwise.

b. Definition of “Cause.” As set forth above, the employment relationship between the Parties is at-will, terminable at any time by either Party for any reason or no reason. The termination may nonetheless be for “Cause”. For purposes of this Agreement, “Cause” is defined as the Company’s good faith determination of: (i) Employee’s material breach of this Agreement or the Confidentiality and Inventions Assignment Agreement or the definitive agreements relating to the Stock Option referenced in Section 4(c) above; (ii) Employee’s continued substantial and material failure or refusal to perform according to, or to comply with, the policies, procedures or practices established by the Company; (iii) the appropriation (or attempted appropriation) of a material business opportunity of the Company, including attempting to secure or securing any personal profit in connection with any transaction entered into on behalf of the Company; (iv) the misappropriation (or attempted appropriation) of any of the Company’s funds or property of any kind; (v) willful gross misconduct; or (vi) Employee’s conviction of a felony involving moral turpitude that is likely to inflict or has inflicted material injury on the business of the Company; provided, however, that except for Cause being the result of item (vi) above, the Company shall provide written notice to Employee, which notice specifically identifies the nature of the alleged Cause claimed by the Company with enough specificity for Employee to be able to cure, and Employee shall thereafter have fifteen (15) days to cure the purported ground(s) for Cause.

c. Definition of “Good Reason.” For purposes of this Agreement, “Good Reason” and “Resignation for Good Reason” are defined as:

- i. a material reduction in Employee’s authority, duties or responsibilities relative to Employee’s authority, duties or responsibilities in effect immediately prior to such reduction; as set forth in this Agreement;
- ii. a material reduction by the Company in Employee’s base salary relative to Employee’s base salary in effect immediately prior to such reduction (and the Parties agree that a reduction of ten percent (10%) or more will be considered material for purposes of this clause (ii)), other than a general reduction in the base salaries of similarly-situated employees of the Company;
- iii. a relocation of Employee’s or the Company’s principal

-
- executive offices to a location outside of San Diego County, if Employee's principal office is at such offices; or
- iv. the Company's material breach of this Agreement;

provided, however, that Employee must provide written notice to the Board of the condition that could constitute a "Good Reason" event within ninety (90) days of the initial existence of such condition and such condition must not have been remedied by the Company within thirty (30) days (the "Cure Period") of such written notice. Employee's Resignation for Good Reason must occur within six (6) months following the initial existence of such condition.

6. Termination Without "Cause" or "Resignation for Good Reason". In the event Employee is terminated without Cause or resigns for Good Reason, Employee shall be entitled to:

a. the Accrued Obligations; plus

b. subject to Employee's execution and non-revocation of a full and final Release (as defined in Section 9 below) and Employee's continued compliance with the Confidentiality and Inventions Assignment Agreement, severance pay in an amount equal to six (6) months' Base Salary as in effect immediately prior to the date of termination, payable in a lump sum on the date that is thirty (30) days following the date of termination; plus

c. subject to Employee's execution and non-revocation of a full and final Release and Employee's continued compliance with the Confidentiality and Inventions Assignment Agreement, for the period beginning on the date of Employee's termination of employment and ending on the date which is six (6) full months following the date of Employee's termination of employment (or, if earlier, the date on which the applicable continuation period under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") expires) (the "COBRA Coverage Period"), the Company shall arrange to provide Employee and his eligible dependents who were covered under the Company's health insurance plans as of the date of Employee's termination of employment with health (including medical and dental) insurance benefits substantially similar to those provided to Employee and his dependents immediately prior to the date of such termination. If the Company is not reasonably able to continue health insurance benefits coverage under the Company's insurance plans, the Company shall provide substantially equivalent coverage under other third-party insurance sources. If any of the Company's health benefits are self-funded as of the date of Employee's termination of employment, or if the Company cannot provide the foregoing benefits in a manner that is exempt from or otherwise compliant with applicable law (including, without limitation, Section 409A of the Code and Section 2716 of the Public Health Service Act), instead of providing continued health insurance benefits as set forth above, the Company shall instead pay to Employee an amount equal to the monthly premium payment for Employee and his eligible dependents who were covered under the Company's health plans as of the date of Employee's termination of employment (calculated by reference to the premium as of the date of termination) as currently taxable compensation in substantially equal monthly installments over the COBRA Coverage Period (or the remaining portion thereof).

7. Employee's Disability or Death. Employee's employment shall terminate automatically in the event of Employee's death or termination of employment by reason of his "Disability." In the event of Employee's death or termination of employment as a result of Employee's Disability, Employee or his heirs shall be entitled to (a) the Accrued Obligations,

plus (b) payment of an amount equal to Employee's "earned" Bonus for the calendar year during which Employee's date of termination occurs calculated as of the date of termination (wherein "earned" means that Employee has met the applicable bonus metrics as of date of such termination, as determined by the Board), prorated for such portion of the calendar year during which such termination occurs that has elapsed through the date of termination, payable in a lump sum on the date that is thirty (30) days following the date of termination. For purposes of this Agreement, "Disability" shall mean the Employee's failure to perform his duties hereunder, for a period of not less than one hundred twenty (120) consecutive days because of Employee's incapacitation due to physical or mental injury, disability, or illness.

8. Change in Control Termination.

a. Payment Upon Change in Control Termination. In the event of a "Change in Control Termination", as defined below, Employee shall be entitled to:

- i. the Accrued Obligations; plus
- ii. subject to Employee's execution and non-revocation of a full and final Release and Employee's continued compliance with the Confidentiality and Inventions Assignment Agreement, severance pay in an amount equal to the sum of (A) twelve (12) months' Base Salary as in effect immediately prior to the date of termination, plus (B) Employee's target Bonus for the calendar year during which such date of termination occurs, payable in a lump sum on the date that is thirty (30) days following the date of termination; plus
- iii. subject to Employee's execution and non-revocation of a full and final Release and Employee's continued compliance with the Confidentiality and Inventions Assignment Agreement, for the period beginning on the date of Employee's termination of employment and ending on the date which is eighteen (18) full months following the date of Employee's termination of employment (or, if earlier, the date on which the applicable continuation period under COBRA expires) (the "CIC COBRA Coverage Period"), the Company shall arrange to provide Employee and his eligible dependents who were covered under the Company's health insurance plans as of the date of Employee's termination of employment with health (including medical and dental) insurance benefits substantially similar to those provided to Employee and his dependents immediately prior to the date of such termination. If the Company is not reasonably able to continue health insurance benefits coverage under the Company's insurance plans, the Company shall provide substantially equivalent coverage under other third-party insurance sources. If any of the Company's health benefits are self-funded as of the date of Employee's termination of employment, or if the Company cannot provide the foregoing benefits in a manner that is exempt from or otherwise compliant with applicable law (including, without limitation, Section 409A of the Code and Section 2716 of the Public Health Service Act), instead of providing continued health insurance benefits as set

forth above, the Company shall instead pay to Employee an amount equal to the monthly premium payment for Employee and his eligible dependents who were covered under the Company's health plans as of the date of Employee's termination of employment (calculated by reference to the premium as of the date of termination) as currently taxable compensation in substantially equal monthly installments over the CIC COBRA Coverage Period (or the remaining portion thereof).

b. Definition of "Change in Control Termination". A "Change in Control Termination" occurs if Employee (i) is terminated without Cause, or (ii) terminates his employment pursuant to a Resignation for Good Reason, in each case within twelve (12) months following a "Change in Control" (as defined below). For purposes of this Agreement, a "Change in Control" means the occurrence of any of the following events:

- i. Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) (other than the Company, any of its subsidiaries, or any existing shareholder of the Company) becomes the "beneficial owner" (as defined in Rule 13d-3 of the Securities and Exchange Act of 1934, as amended), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- ii. The consummation of the sale, liquidation or disposition by the Company of all or substantially all of the Company's assets; or
- iii. The consummation of a merger, consolidation, reorganization or other similar transaction involving the Company ("Transaction") in each case, in which the voting securities of the Company outstanding immediately prior thereto do not continue to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such Transaction.

In addition, if a Change in Control constitutes a payment event with respect to any payment under this Agreement which provides for the deferral of compensation and is subject to Section 409A of the Code, the transaction or event described in clause (i), (ii) or (iii) with respect to such payment must also constitute a "change in control event," as defined in Treasury Regulation Section 1.409A-3(i)(5) to the extent required by Section 409A of the Code.

9. Release. Notwithstanding any provision to the contrary in this Agreement, no amount shall be paid or benefit provided pursuant to Section 6 or Section 8 (other than the Accrued Obligations) and no accelerated vesting of the Stock Option shall occur as a result of Employee's termination of employment pursuant to Section 4(c) unless, on or prior to the thirtieth (30th) day following the date of Employee's termination of employment, an effective general release of claims agreement (the "Release") in substantially the form attached hereto as Exhibit 2 has been executed by Employee and remains effective on such date and any applicable revocation period thereunder has expired.

10. Notices. Any reports, notices or other communications required or permitted to be given by either Party hereto, shall be given in writing by personal delivery, overnight courier service, or by registered or certified mail, postage prepaid, return receipt requested, addressed to

each respective Party at the address shown below:

If to Company:

AIRGAIN, INC.
1930 Palomar Point Way, Suite 107
Carlsbad, CA 92008
Fax: (760) 579-0892
Attn: Chairman of the Board

If to Employee:

Glenn Selbo

11. Notice of Termination. Any purported termination of Employment by the Company or the Employee shall be communicated by written Notice of Termination to the other Party. For purposes of this Agreement, a “Notice of Termination” shall mean a notice which indicates, if applicable, the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Employee’s employment under the provision so indicated. For purposes of this Agreement, no such purported termination of employment shall be effective without delivery of such a Notice of Termination.

12. General Provisions.

a. Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to the conflicts of laws principles thereof. Employee and the Company agree that any litigation regarding this Agreement shall be conducted in San Diego, California. Employee and the Company hereby consent to the jurisdiction of the courts of the State of California and the United States District Court for the Southern District of California.

b. Assignment; Assumption by Successor. The rights of the Company under this Agreement may, without the consent of Employee, be assigned by the Company, in its sole and unfettered discretion, to any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly, acquires all or substantially all of the assets or business of the Company. The Company will require any successor (whether direct or indirect, by purchase, merger or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and to agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place; provided, however, that no such assumption shall relieve the Company of its obligations hereunder. As used in this Agreement, the “Company” shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law or otherwise.

c. No Waiver of Breach. The failure to enforce any provision of this

Agreement shall not be construed as a waiver of any such provision, nor prevent a Party thereafter from enforcing the provision or any other provision of this Agreement. The rights granted the Parties are cumulative, and the election of one shall not constitute a waiver of such Party's right to assert all other legal and equitable remedies available under the circumstances.

d. Severability. The provisions of this Agreement are severable, and if any provision shall be held to be invalid or otherwise unenforceable, in whole or in part, the remainder of the provisions, or enforceable parts of this Agreement, shall not be affected.

e. Entire Agreement. This Agreement and the Confidentiality and Inventions Assignment Agreement constitute the entire agreement of the Parties with respect to the subject matter of this Agreement and supersede all prior and contemporaneous negotiations, agreements and understandings between the Parties, whether oral or written, including, without limitation, any offer letter between the parties.

f. Modifications and Waivers. No modification or waiver of this Agreement shall be valid unless in writing, signed by the Party against whom such modification or waiver is sought to be enforced.

g. Amendment. This Agreement may be amended or supplemented only by a writing signed by both of the Parties hereto.

h. Duplicate Counterparts; Facsimile. This Agreement may be executed in duplicate counterparts, each of which shall be deemed an original; provided, however, such counterparts shall together constitute only one agreement. Facsimile signatures or signatures sent via electronic mail shall be as effective as original signatures.

i. Interpretation. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

j. Non-transferability of Interest. None of the rights of Employee to receive any form of compensation payable pursuant to this Agreement shall be assignable or transferable except through a testamentary disposition or by the laws of descent and distribution upon the death of Employee. Any attempted assignment, transfer, conveyance, or other disposition (other than as aforesaid) of any interest in the rights of Employee to receive any form of compensation to be made by the Company pursuant to this Agreement shall be void.

k. Construction. The language in all parts of this Agreement shall in all cases be construed simply, according to its fair meaning, and not strictly for or against any of the parties hereto. Without limitation, there shall be no presumption against any party on the ground that such party was responsible for drafting this Agreement or any part thereof.

l. Section 409A.

i. Notwithstanding anything to the contrary in this Agreement, no payment or benefit to be paid or provided to Employee upon his termination of employment, if any, pursuant to this Agreement that, when considered together with any other payments or benefits, are considered deferred compensation under Section 409A (together, the "Deferred Payments") will be paid or otherwise provided until Employee has a "separation from service" within the meaning of Section 409A. Similarly, no amounts payable to Employee, if any, pursuant to this Agreement that otherwise would be exempt from Section 409A pursuant to

Treasury Regulation Section 1.409A-1(b)(9) will be payable until Employee has a "separation from service" within the meaning of Section 409A.

ii. Notwithstanding anything to the contrary in this Agreement, if Employee is a "specified employee" within the meaning of Section 409A at the time of Employee's termination of employment (other than due to death), then the Deferred Payments that are payable within the first six (6) months following Employee's separation from service, will become payable on the first payroll date that occurs on or after the date six (6) months and one (1) day following the date of Employee's separation from service. All subsequent Deferred Payments, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if Employee dies following Employee's separation from service, but prior to the six (6) month anniversary of the separation from service, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of Employee's death and all other Deferred Payments will be payable in accordance with the payment schedule applicable to each payment or benefit. Each payment and benefit payable under this Agreement is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

iii. Any amount paid under this Agreement that satisfies the requirements of the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations will not constitute a Deferred Payment for purposes of clauses (i) and (ii) above.

iv. Any amount paid under this Agreement that qualifies as a payment made as a result of an involuntary separation from service pursuant to Section 1.409A-1(b)(9)(iii) of the Treasury Regulations that does not exceed the limits set forth therein will not constitute a Deferred Payment for purposes of clauses (i) and (ii) above.

v. This Agreement is intended to be written, administered, interpreted and construed in a manner such that no payment or benefits provided under the Agreement become subject to (A) the gross income inclusion set forth within Code Section 409A(a)(1)(A) or (B) the interest and additional tax set forth within Code Section 409A(a)(1)(B) (together, referred to herein as the "Section 409A Penalties"), including, where appropriate, the construction of defined terms to have meanings that would not cause the imposition of Section 409A Penalties. In no event shall the Company be required to provide a tax gross-up payment to Employee or otherwise reimburse Employee with respect to Section 409A Penalties. The Company and Employee agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any Section 409A Penalties on Employee.

vi. Any reimbursement of expenses or in-kind benefits payable under this Agreement shall be made in accordance with Treasury Regulation Section 1.409A-3(i)(1)(iv) and shall be paid on or before the last day of Employee's taxable year following the taxable year in which Employee incurred the expenses. The amount of expenses reimbursed or in-kind benefits payable in one year shall not affect the amount eligible for reimbursement or in-kind benefits payable in any other taxable year of Employee's, and Employee's right to reimbursement for such amounts shall not be subject to liquidation or exchange for any other benefit.

(Signature Page Follows)

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date(s) set forth below.

Dated: February 18, 2014

AIRGAIN, INC.

By: /s/ Charles A. Myers

Name: Charles A. Myers

Title: CEO

EMPLOYEE

Dated: February 18, 2014

/s/ Glenn Selbo
GLENN SELBO

EXHIBIT 2

GENERAL RELEASE OF CLAIMS

[The language in this Release may change based on legal developments and evolving best practices; this form is provided as an example of what will be included in the final Release document.]

This General Release of Claims ("Release") is entered into as of this day of , , between GLENN SELBO ("Employee"), and AIRGAIN, INC., a California corporation (the "Company") (collectively referred to herein as the "Parties").

WHEREAS, Employee and the Company are parties to that certain Employment Agreement effective as of January 1, 2014 (the "Agreement");

WHEREAS, the Parties agree that Employee is entitled to certain severance benefits under the Agreement, subject to Employee's execution of this Release; and

WHEREAS, the Company and Employee now wish to fully and finally to resolve all matters between them.

NOW, THEREFORE, in consideration of, and subject to, the severance benefits payable to Employee pursuant to the Agreement, the adequacy of which is hereby acknowledged by Employee, and which Employee acknowledges that he would not otherwise be entitled to receive, Employee and the Company hereby agree as follows:

1. General Release of Claims by Employee.

(a) Employee, on behalf of himself and his executors, heirs, administrators, representatives and assigns, hereby agrees to release and forever discharge the Company and all predecessors, successors and their respective parent corporations, affiliates, related, and/or subsidiary entities, and all of their past and present investors, directors, shareholders, officers, general or limited partners, employees, attorneys, agents and representatives, and the employee benefit plans in which Employee is or has been a participant by virtue of his employment with or service to the Company (collectively, the "Company Releasees"), from any and all claims, debts, demands, accounts, judgments, rights, causes of action, equitable relief, damages, costs, charges, complaints, obligations, promises, agreements, controversies, suits, expenses, compensation, responsibility and liability of every kind and character whatsoever (including attorneys' fees and costs), whether in law or equity, known or unknown, asserted or unasserted, suspected or unsuspected (collectively, "Claims"), which Employee has or may have had against such entities based on any events or circumstances arising or occurring on or prior to the date hereof or on or prior to the date hereof, arising directly or indirectly out of, relating to, or in any other way involving in any manner whatsoever Employee's employment by or service to the Company or the termination thereof, including any and all claims arising under federal, state, or local laws relating to employment, including without limitation claims of wrongful discharge, breach of express or implied contract, fraud, misrepresentation, defamation, or liability in tort, and claims of any kind that may be brought in any court or administrative agency including, without

limitation, claims under Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. Section 2000, et seq.; the Americans with Disabilities Act, as amended, 42 U.S.C. § 12101 et seq.; the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 701 et seq.; the Civil Rights Act of 1866, and the Civil Rights Act of 1991; 42 U.S.C. Section 1981, et seq.; the Age Discrimination in Employment Act, as amended, 29 U.S.C. Section 621, et seq. (the “ADEA”); the Equal Pay Act, as amended, 29 U.S.C. Section 206(d); regulations of the Office of Federal Contract Compliance, 41 C.F.R. Section 60, et seq.; the Family and Medical Leave Act, as amended, 29 U.S.C. § 2601 et seq.; the Fair Labor Standards Act of 1938, as amended, 29 U.S.C. § 201 et seq.; the Employee Retirement Income Security Act, as amended, 29 U.S.C. § 1001 et seq.; and the California Fair Employment and Housing Act, California Government Code Section 12940, et seq.

Notwithstanding the generality of the foregoing, Employee does not release the following claims:

- (i) Claims for unemployment compensation or any state disability insurance benefits pursuant to the terms of applicable state law;
- (ii) Claims for workers’ compensation insurance benefits under the terms of any worker’s compensation insurance policy or fund of the Company;
- (iii) Claims pursuant to the terms and conditions of the federal law known as COBRA;
- (iv) Claims for indemnity under the bylaws of the Company, as provided for by California law or under any applicable insurance policy with respect to Employee’s liability as an employee, director or officer of the Company;
- (v) Claims based on any right Employee may have to enforce the Company’s executory obligations under the Agreement; and
- (vi) Claims Employee may have to vested or earned compensation and benefits.

(b) EMPLOYEE ACKNOWLEDGES THAT HE HAS BEEN ADVISED OF AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH, IF KNOWN BY HIM OR HER, MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”

BEING AWARE OF SAID CODE SECTION, EMPLOYEE HEREBY EXPRESSLY WAIVES ANY RIGHTS HE MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER

[Note: Clauses (c), (d) and (e) apply only if Employee is age 40 or older at time of termination]

(c) Employee acknowledges that this Release was presented to him on the date indicated above and that Employee is entitled to have twenty-one (21) days' time in which to consider it. Employee further acknowledges that the Company has advised him that he is waiving his rights under the ADEA, and that Employee should consult with an attorney of his choice before signing this Release, and Employee has had sufficient time to consider the terms of this Release. Employee represents and acknowledges that if Employee executes this Release before twenty-one (21) days have elapsed, Employee does so knowingly, voluntarily, and upon the advice and with the approval of Employee's legal counsel (if any), and that Employee voluntarily waives any remaining consideration period.

(d) Employee understands that after executing this Release, Employee has the right to revoke it within seven (7) days after his execution of it. Employee understands that this Release will not become effective and enforceable unless the seven (7) day revocation period passes and Employee does not revoke the Release in writing. Employee understands that this Release may not be revoked after the seven (7) day revocation period has passed. Employee also understands that any revocation of this Release must be made in writing and delivered to the Company at its principal place of business within the seven (7) day period.

(e) Employee understands that this Release shall become effective, irrevocable, and binding upon Employee on the eighth (8th) day after his execution of it, so long as Employee has not revoked it within the time period and in the manner specified in clause (d) above.

(f) Employee further understands that Employee will not be given any severance benefits under the Agreement unless this Release is effective on or before the date that is thirty (30) days following the date of Employee's termination of employment.

2. No Assignment. Employee represents and warrants to the Company Releasees that there has been no assignment or other transfer of any interest in any Claim that Employee may have against the Company Releasees. Employee agrees to indemnify and hold harmless the Company Releasees from any liability, claims, demands, damages, costs, expenses and attorneys' fees incurred as a result of any such assignment or transfer from Employee.

3. Severability. In the event any provision of this Release is found to be unenforceable by an arbitrator or court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to allow enforceability of the provision as so limited, it being intended that the parties shall receive the benefit contemplated herein to the fullest extent permitted by law. If a deemed modification is not satisfactory in the judgment of such arbitrator or court, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

4. Interpretation; Construction. The headings set forth in this Release are for convenience only and shall not be used in interpreting this Agreement. This Release has been drafted by legal counsel representing the Company, but Employee has participated in the negotiation of its terms. Furthermore, Employee acknowledges that Employee has had an opportunity to review and revise the Release and have it reviewed by legal counsel, if desired, and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Release. Either party's failure to enforce any provision of this Release shall not in any way be construed as a waiver of any such provision, or prevent that party thereafter from enforcing each and every other provision of this Release.

5. Governing Law; Venue. This Release shall be governed by and construed in accordance with the laws of the State of California without regard to the conflicts of laws principles thereof. Employee and the Company agree that any litigation regarding this Release shall be conducted in San Diego, California. Employee and the Company hereby consent to the jurisdiction of the courts of the State of California and the United States District Court for the Southern District of California.

6. Entire Agreement. This Release and the Agreement constitute the entire agreement of the Parties in respect of the subject matter contained herein and therein and supersede all prior or simultaneous representations, discussions, negotiations and agreements, whether written or oral. This Release may be amended or modified only with the written consent of Employee and an authorized representative of the Company. No oral waiver, amendment or modification will be effective under any circumstances whatsoever.

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

(Signature Page Follows)

IN WITNESS WHEREOF, the Parties have executed this Release as of the date(s) set forth below.

Dated: _____

AIRGAIN, INC.

By: _____

Name: _____

Title: _____

EMPLOYEE

Dated: _____

GLENN SELBO

**SECOND AMENDMENT
TO
AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT**

THIS **SECOND AMENDMENT** to Amended and Restated Loan and Security Agreement (this “Amendment”) is entered into this 16th day of December, 2015, by and between **SILICON VALLEY BANK** (“Bank”) and **AIRGAIN, INC.**, a California corporation (“Borrower”).

RECITALS

A. Bank and Borrower have entered into that certain Amended and Restated Loan and Security Agreement dated as of May 21, 2012 (as the same may from time to time be amended, modified, supplemented or restated, including without limitation by that certain First Amendment to Amended and Restated Loan and Security Agreement dated as of December 12, 2013, collectively, the “Loan Agreement”).

B. Bank has extended credit to Borrower for the purposes permitted in the Loan Agreement.

C. Borrower has informed Bank that Borrower intends to consummate the SkyCross Asset Purchase (as defined in the Loan Agreement, as amended by this Amendment).

D. Borrower has requested that Bank consent to the SkyCross Asset Purchase and amend the Loan Agreement as more fully set forth herein.

E. Bank has agreed to so consent to the SkyCross Asset Purchase and amend certain provisions of the Loan Agreement, but only to the extent, in accordance with the terms, subject to the conditions and in reliance upon the representations and warranties set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. Definitions. Capitalized terms used but not defined in this Amendment shall have the meanings given to them in the Loan Agreement.

2. Consent. Notwithstanding any provision to the contrary in Sections 7.4 or 7.6 of the Loan Agreement, Bank hereby consents to Borrower's consummation of the SkyCross Asset Purchase.

3. Amendments to Loan Agreement.

3.1 Section 2.1.3 (Term Loan). New Section 2.1.3 hereby is added to the Loan Agreement as follows:

"2.1.3 Term Loan.

(a) Availability. Subject to the terms and conditions of this Agreement and provided that the conditions precedent to the making thereto have been satisfied, Bank shall make a term loan to Borrower on or about the Second Amendment Effective Date, in an amount equal to Four Million Dollars (\$4,000,000) (the "**Term Loan**"). Borrower shall use the proceeds of the Term Loan to finance the SkyCross Asset Purchase.

(b) Repayment. Borrower shall repay the Term Loan in (i) thirty-six (36) equal installments of principal, plus (ii) monthly payments of accrued interest (the "**Term Loan Payment**") commencing on January 1, 2016 and continuing on the first day of each month thereafter through the Term Loan Maturity Date. Borrower's final Term Loan Payment, due on the Term Loan Maturity Date, shall include all outstanding principal and accrued and unpaid interest under the Term Loan. Once repaid, the Term Loan may not be reborrowed.

(c) Prepayment.

(i) Mandatory Prepayment Upon an Acceleration. If the Term Loan is accelerated following the occurrence and during the continuance of an Event of Default, Borrower shall immediately pay to Bank an amount equal to the sum of (i) all outstanding principal, plus accrued and unpaid interest thereon, (ii) the Final Payment and (iii) all other sums, if any, that shall have become due and payable hereunder in connection with the Term Loan.

(ii) Permitted Prepayment. So long as no Event of Default has occurred and is continuing, Borrower shall have the option to prepay in whole or in part the Term Loan advanced by Bank under this Agreement, provided Borrower (i) delivers written notice to Bank of its election to prepay the Term Loan at least thirty (30) days prior to such prepayment, and (ii) pays, on the date of such prepayment (a) all outstanding principal, plus accrued and unpaid interest with respect to the prepaid Term Loan, (c) the Final

Payment and (c) all other sums, if any, that shall have become due and payable hereunder in connection with the prepaid Term Loan. Any partial prepayment of the Term Loan paid by Borrower shall be applied to prepay amounts owing under the Term Loan in inverse order of maturity.

(d) Interest on the Term Loan. Subject to Section 2.1.3(e), the principal amount outstanding under the Term Loan shall accrue interest at a fixed per annum rate equal to five percentage points (5.00%), which interest shall be payable monthly.

(e) Default Rate. Immediately upon the occurrence and during the continuance of an Event of Default, Obligations under the Term Loan shall bear interest at the Growth Capital Default Rate as defined in and in accordance with Section 2.1.2(f).

(f) Computation; 360-Day Year. In computing interest for the Term Loan, the Funding Date shall be included and the date of payment shall be excluded; provided, however, that if any portion of the Term Loan is repaid on the same day on which it is made, such day shall be included in computing interest on such portion of the Term Loan. Interest shall be computed on the basis of a 360-day year for the actual number of days elapsed.

(i) Debit of Accounts. For each Term Loan Payment, Bank may debit any of Borrower's deposit accounts, including the Designated Deposit Account, for principal and interest payments or any other amounts Borrower owes Bank when due. These debits shall not constitute a set-off.

(j) Interest Payment Date. Unless otherwise provided, interest is payable monthly on the first (1st) calendar day of each month.

(k) Payments; Application of Payments.

(i) All payments (including prepayments) to be made by Borrower in connection with the Term Loan under any Loan Document shall be made in immediately available funds in U.S. Dollars, without setoff or counterclaim, before 12:00 p.m. Pacific time on the date when due. Payments of principal and/or interest received after 12:00 p.m. Pacific time are considered received at the opening of business on the next Business Day. When a payment is due on a day that is not a Business Day, the payment shall be due the next Business Day, and additional fees or interest, as applicable, shall continue to accrue until paid.

(ii) Borrower shall have no right to specify the order or the accounts to which Bank shall allocate or apply any payments required to be made by Borrower to Bank or otherwise received by Bank under this Agreement in connection with the Term Loan when any such allocation or application is not specified elsewhere in this Agreement.”

3.2 Section 2.4.1 (Final Payment). The Final Payment, when due hereunder.

3.3 Section 6.7 (Liquidity Ratio). Section 6.7 of the Loan Agreement hereby is amended and restated in its entirety to read as follows:

“**6.7 Financial Covenants.** Effective until all Obligations owing under the Growth Capital Advances and the Term Loan are repaid in full in cash and Bank no longer has any obligation to make Growth Capital Advances under the Loan Agreement, maintain at all times, measured as of the last day of each month:

(a) **Liquidity Ratio.** Borrower shall maintain at all times, measured as of the last day of each month, a Liquidity Ratio of not less than 1.25 to 1.00.

(b) **EBITDA.** Borrower shall maintain at all times, measured as of the last day of each fiscal quarter of Borrower, on a trailing six (6) month basis, EBITDA of not less than the following amounts for the respective periods below:

<u>Measuring Period Ending:</u>	<u>Minimum EBITDA</u>
December 31, 2015	(\$ 350,000)
March 31, 2016	(\$ 350,000)
June 30, 2016	\$ 1.00
September 30, 2016	\$ 250,000
December 31, 2016	\$ 500,000
March 31, 2017 and thereafter	\$ 750,000”

3.4 Section 13 (Definitions). The following terms and their respective definitions set forth in Section 13.1 of the Loan Agreement hereby are added, or amended and restated, as follows:

“**Account Advance Maturity Date**” is April 3, 2018.

“**Credit Extension**” is any Advance, any Growth Capital Advance, Term Loan or any other extension of credit by Bank for Borrower’s benefit under this Agreement.

“**EBITDA**” shall mean (a) Net Income, plus (b) Interest Expense, plus (c) to the extent deducted in the calculation of Net Income, depreciation expense and amortization expense, plus (d) income tax expense, plus (e) fair market value adjustments for warrants.

“**Final Payment**” is a payment (in addition to and not a substitution for the regular monthly payments of principal plus accrued interest) due on the earlier of (a) the Term Loan Maturity Date or (b) the acceleration of the Term Loan, equal to the Term Loan multiplied by the Final Payment Percentage.

“**Final Payment Percentage**” is one and one half of one percent (1.50%).

“**Interest Expense**” means for any fiscal period, interest expense (whether cash or non-cash) determined in accordance with GAAP for the relevant period ending on such date, including, in any event, interest expense with respect to any Credit Extension and other Indebtedness of Borrower and its Subsidiaries, including, without limitation or duplication, all commissions, discounts, or related amortization and other fees and charges with respect to letters of credit and bankers’ acceptance financing and the net costs associated with interest rate swap, cap, and similar arrangements, and the interest portion of any deferred payment obligation (including leases of all types).

“**Net Income**” means, as calculated on a consolidated basis for Borrower and its Subsidiaries for any period as at any date of determination, the net profit (or loss), after provision for taxes, of Borrower and its Subsidiaries for such period taken as a single accounting period.

“**Second Amendment Effective Date**” is December 16, 2015.

“**SkyCross Asset Purchase**” means the assignment to Borrower of certain customer contracts and related assets from SkyCross, Inc. for an aggregate purchase price of approximately Five Million Dollars (\$5,000,000) (inclusive of an upfront payment of approximately Four Million Dollars (\$4,000,000) and a deferred payment of One Million Dollars (\$1,000,000))

following the expiration or termination of the transition services agreement relating thereto.

“**Streamline Period**” means any period of time where Borrower maintained a Liquidity Ratio greater than or equal to 1.50 to 1.00 at all times during the prior three (3) Reconciliation Periods; provided that any Streamline Period shall immediately terminate upon the occurrence of an Event of Default and no new Streamline Period shall begin until Borrower has maintained a Liquidity Ratio of at least 1.50 to 1.00 at all times for three (3) consecutive Reconciliation Periods thereafter.

“**Term Loan**” is defined in Section 2.1.3(a) of this Agreement.

“**Term Loan Maturity Date**” is December 1, 2018.

“**Term Loan Payment**” is defined in Section 2.1.3(b) of this Agreement.

2.7 Exhibit B to the Loan Agreement hereby is replaced with Exhibit B attached hereto.

4. Limitation of Amendments.

4.1 The amendments set forth in **Section 3**, above, are effective for the purposes set forth herein and shall be limited precisely as written and shall not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of any Loan Document, or (b) otherwise prejudice any right or remedy which Bank may now have or may have in the future under or in connection with any Loan Document.

4.2 This Amendment shall be construed in connection with and as part of the Loan Documents and all terms, conditions, representations, warranties, covenants and agreements set forth in the Loan Documents, except as herein amended, are hereby ratified and confirmed and shall remain in full force and effect.

5. Representations and Warranties.

To induce Bank to enter into this Amendment, Borrower hereby represents and warrants to Bank as follows:

5.1 Immediately after giving effect to this Amendment (a) the representations and warranties contained in the Loan Documents are true, accurate and complete in all material respects as of the date hereof (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct as of such date), and (b) no Event of Default has occurred and is continuing;

5.2 Borrower has the power and authority to execute and deliver this Amendment and to perform its obligations under the Loan Agreement, as amended by this Amendment;

5.3 The organizational documents of Borrower delivered to Bank on the Effective Date remain true, accurate and complete and have not been amended, supplemented or restated and are and continue to be in full force and effect;

5.4 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, have been duly authorized;

5.5 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not and will not contravene (a) any law or regulation binding on or affecting Borrower, (b) any contractual restriction with a Person binding on Borrower, (c) any order, judgment or decree of any court or other governmental or public body or authority, or subdivision thereof, binding on Borrower, or (d) the organizational documents of Borrower;

5.6 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not require any order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by any governmental or public body or authority, or subdivision thereof, binding on either Borrower, except as already has been obtained or made; and

5.7 This Amendment has been duly executed and delivered by Borrower and is the binding obligation of Borrower, enforceable against Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights.

6. Counterparts. This Amendment may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

7. Effectiveness. This Amendment shall be deemed effective upon (a) the due execution and delivery to Bank of this Amendment by each party hereto, (b) updated Borrowing Resolutions for Borrower and (c) payment of all Bank Expenses incurred through the date of this Amendment, which may be debited from any of Borrower's accounts at Bank.

[Balance of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the date first written above.

BANK

SILICON VALLEY BANK

By:

Name: /s/ Kadie Sobel

Title: VP

BORROWER

AIRGAIN, INC.

By:

Name: /s/ Charles Myers

Title: CEO

*[Signature Page to Second Amendment to Amended and Restated
Loan and Security Agreement]*

EXHIBIT B



**SPECIALTY FINANCE DIVISION
Compliance Certificate**

I, an authorized officer of AIRGAIN, INC. ("**Borrower**") certify under the Amended and Restated Loan and Security Agreement (as amended, the "**Agreement**") between Borrower and Silicon Valley Bank ("**Bank**") as follows for the period ending _____ (all capitalized terms used herein shall have the meaning set forth in this Agreement):

Borrower represents and warrants for each Financed Receivable:

Each Financed Receivable is an Eligible Account;

Borrower is the owner with legal right to sell, transfer, assign and encumber such Financed Receivable;

The correct amount is on the Invoice Transmittal and is not disputed;

Payment is not contingent on any obligation or contract and Borrower has fulfilled all its obligations as of the Invoice Transmittal date;

Each Financed Receivable is based on an actual sale and delivery of goods and/or services rendered, is due to Borrower, is not past due or in default, has not been previously sold, assigned, transferred, or pledged and is free of any liens, security interests and encumbrances other than Permitted Liens;

There are no defenses, offsets, counterclaims or agreements for which the Account Debtor may claim any deduction or discount;

Borrower reasonably believes no Account Debtor is insolvent or subject to any Insolvency Proceedings;

Borrower has not filed or had filed against it Insolvency Proceedings and does not anticipate any filing;

Bank has the right to endorse and/ or require Borrower to endorse all payments received on Financed Receivables and all proceeds of Collateral.

No representation, warranty or other statement of Borrower in any certificate or written statement given to Bank, when taken as a whole, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statement contained in the certificates or statement not misleading.

Additionally, Borrower represents and warrants as follows:

Borrower and each Subsidiary is duly existing and in good standing in its state of formation and qualified and licensed to do business in, and in good standing in, any state in which the conduct of its business or its ownership of property requires that it be qualified except where the failure to do so could not reasonably be expected to cause a Material Adverse Change. The execution, delivery and performance of the Loan Documents have been duly authorized, and do not conflict with Borrower's organizational documents, nor constitute an event of default under any material agreement by which Borrower is bound. Borrower is not in default under any agreement to which or by which it is bound in which the default could reasonably be expected to cause a Material Adverse Change.

Borrower has good title to the Collateral, free of Liens except Permitted Liens. All inventory is in all material respects of good and marketable quality, free from material defects.

Borrower is not an "investment company" or a company "controlled" by an "investment company" under the Investment Company Act of 1940, as amended. Borrower is not engaged as one of its important activities in extending credit for margin stock (under Regulations X, T and U of the Federal Reserve Board of Governors). Borrower has complied in all material respects with the Federal Fair Labor Standards Act. Borrower has not violated any laws, ordinances or rules, the violation of which could reasonably be expected to cause a Material Adverse Change. None of Borrower's or any Subsidiary's properties or assets has been used by Borrower or any Subsidiary or, to the best of Borrower's knowledge, by previous Persons, in disposing, producing, storing, treating, or transporting any hazardous substance other than legally. Borrower and each Subsidiary has timely filed all required tax returns and paid, or made adequate provision to pay, all material taxes, except those being contested in good faith with adequate reserves under GAAP. Borrower and each Subsidiary has obtained all consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all government authorities that are necessary to continue its business as currently conducted except where the failure to obtain or make such consents, declarations, notices or filings would not reasonably be expected to cause a Material Adverse Change.

Borrower is in compliance with the Financial Covenant(s) set forth in Section 6.7 of this Agreement. Attached are the required documents supporting the certification. The undersigned certifies that these are prepared in accordance with GAAP consistently applied from one period to the next except as explained in an accompanying letter or footnotes.

The undersigned acknowledges that no borrowings may be requested at any time or date of determination that Borrower is not in compliance with any of the terms of the Agreement, and that compliance is determined not just at the date this certificate is delivered.

Streamline Availability

	<u>Required</u>	<u>Actual</u>	<u>Compliance</u>	
Liquidity Ratio	1.50 : 1.00	_____ : 1.00	Yes	No

Financial Covenant

	<u>Required</u>	<u>Actual</u>	<u>Compliance</u>	
Liquidity Ratio*	1.25 : 1.00	_____ : 1.00	Yes	No
EBITDA	**	\$ _____	Yes	No

* Effective until all Obligations owing under the Growth Capital Advances and the Term Loan are repaid in full in cash and Bank no longer has any obligation to make Growth Capital Advances under the Loan Agreement

** measured as of the end of each fiscal quarter, on a trailing 6-month basis:

<u>Measuring Period Ending:</u>	<u>Minimum EBITDA</u>
December 31, 2015	(\$ 350,000)
March 31, 2016	(\$ 350,000)
June 30, 2016	\$ 1.00
September 30, 2016	\$ 250,000
December 31, 2016	\$ 500,000
March 31, 2017 and thereafter	\$ 750,000

All other representations and warranties in this Agreement are true and correct in all material respects on this date, provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to

a specific date shall be true, accurate and complete in all material respects as of such date, and no Event of Default shall have occurred and be continuing or result from the Credit Extension.

Sincerely,

AIRGAIN, INC.

Signature

Title

Date

BORROWING RESOLUTIONS



Silicon Valley Bank

CORPORATE BORROWING CERTIFICATE

BORROWER: AIRGAIN, INC.
BANK: Silicon Valley Bank

DATE: December 16, 2015

I hereby certify as follows, as of the date set forth above:

1. I am the Secretary, Assistant Secretary or other officer of the Borrower. My title is as set forth below.
2. Borrower's exact legal name is set forth above. Borrower is a corporation existing under the laws of the State of California.
3. Attached hereto are true, correct and complete copies of Borrower's Articles/Certificate of Incorporation (including amendments), as filed with the Secretary of State of the state in which Borrower is incorporated as set forth in paragraph 1 above. Such Articles/Certificate of Incorporation have not been amended, annulled, rescinded, revoked or supplemented, and remain in full force and effect as of the date hereof.
4. The following resolutions were duly and validly adopted by Borrower's Board of Directors at a duly held meeting of such directors (or pursuant to a unanimous written consent or other authorized corporate action). Such resolutions are in full force and effect as of the date hereof and have not been in any way modified, repealed, rescinded, amended or revoked, and Bank may rely on them until Bank receives written notice of revocation from Borrower.

RESOLVED, that **any one** of the following officers or employees of Borrower, whose names, titles and signatures are below, may act on behalf of Borrower:

<u>Name</u>	<u>Title</u>	<u>Signature</u>	Authorized to Add or Remove Signatories
_____	_____	_____	..
_____	_____	_____	..
_____	_____	_____	..
_____	_____	_____	..

RESOLVED FURTHER, that **any one** of the persons designated above with a checked box beside his or her name may, from time to time, add or remove any individuals to and from the above list of persons authorized to act on behalf of Borrower.

RESOLVED FURTHER, that such individuals may, on behalf of Borrower:

Borrow Money. Borrow money from Silicon Valley Bank (“Bank”).

Execute Loan Documents. Execute any loan documents Bank requires.

Grant Security. Grant Bank a security interest in any of Borrower’s assets.

Negotiate Items. Negotiate or discount all drafts, trade acceptances, promissory notes, or other indebtedness in which Borrower has an interest and receive cash or otherwise use the proceeds.

Letters of Credit. Apply for letters of credit from Bank.

Foreign Exchange Contracts. Execute spot or forward foreign exchange contracts.

Further Acts. Designate other individuals to request advances, pay fees and costs and execute other documents or agreements (including documents or agreement that waive Borrowers right to a jury trial) they believe to be necessary to effectuate **such** resolutions.

RESOLVED FURTHER, that all acts authorized by the above resolutions and any prior acts relating thereto are ratified.

5. The persons listed above are Borrower’s officers or employees with their titles and signatures shown next to their names.

By: _____

Name: _____

Title: _____

**** If the Secretary, Assistant Secretary or other certifying officer executing above is designated by the resolutions set forth in paragraph 4 as one of the authorized signing officers, this Certificate must also be signed by a second authorized officer or director of Borrower.*

I, the _____ of Borrower, hereby certify as to paragraphs 1 through 5 above, as
[print title]
of the date set forth above.

By: _____

Name: _____

Title: _____

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Airgain, Inc.:

We consent to the use of our report included herein and to the reference to our firm under the heading “Experts” in the prospectus.

/s/ KPMG LLP
Irvine, California
July 15, 2016