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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (date of earliest event reported): January 25, 2019

DRONE AVIATION HOLDING CORP.
(Exact name of registrant as specified in its charter)

Nevada

(State or Other Jurisdiction
of Incorporation)

333-150332

(Commission File Number)

46-5538504

(IRS Employer
Identification No.)

11651 Central Parkway #118, Jacksonville, FL 32224

(Address of principal executive offices)

Registrant's telephone number, including area code: **(904) 834-4400**

Not applicable

(Registrant's former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement

Additional Closing under the Amended and Restated Common Stock Purchase Agreement

On January 25, 2019, Drone Aviation Holding Corp. (the “Company”) completed the sale of 4,015,500 shares of its unregistered common stock, par value \$.0001 per share (the “Common Stock”) at \$0.50 per share for an aggregate of \$2,007,750 (the “Additional Closing”) pursuant to the Amended and Restated Common Stock Purchase Agreement dated December 21, 2018 (the “Purchase Agreement”), by and among the Company and the several purchasers thereto. Purchases of the Common Stock in the Additional Closing included 150,000 shares by Dan Erdberg, an affiliate of the Company, 50,000 shares by the Kendall W. Carpenter Living Trust DTD 8/3/95, a trust organized by Kendall Carpenter, an affiliate of the Company, and an additional 3,815,500 by other investors.

In connection with the Additional Closing, the Company received aggregate consideration in the amount of \$2,007,750 consisting of (i) cash in the aggregate amount of \$1,432,750, (ii) a promissory note to the Company (the “Non-Affiliate Note”) in the aggregate principal amount of \$500,000, (iii) a full-recourse promissory note payable by Dan Erdberg to the Company (the “Erdberg Note”) in the aggregate principal amount of \$50,000 and (iv) a full-recourse promissory note payable by the Kendall W. Carpenter Living Trust DTD 8/3/95 (the “Carpenter Trust Note”) in the aggregate principal amount of \$25,000.

The Erdberg Note and the Carpenter Trust Note have a maturity date of January 25, 2020. The Non-Affiliate Note has a maturity date of February 7, 2019. The Erdberg Note, the Carpenter Trust Note and the Non-Affiliate Note (each, a “Note” and collectively, the “Notes”) bear interest at a fixed rate of 3% per annum. Principal and interest under the Notes may be prepaid at any time without penalty. The Notes contain customary provisions for events of default including for (i) failure to pay principal and interest thereunder when due and payable and (ii) a breach of any of the representations, warranties, covenants or agreements under a Note or the Purchase Agreement.

Item 3.02. Unregistered Sales of Equity Securities.

Information concerning the sale of the 4,015,500 shares of the Company’s unregistered Common Stock is set forth in Item 1.01 above and incorporate herein by this reference.

The shares of Common Stock referenced herein were sold in reliance upon the exemption from securities registration afforded by the provisions of Section 4(a)(2) of the Securities Act of 1933, as amended, (the “Securities Act”), and/or Regulation D, as promulgated by the U.S. Securities and Exchange Commission (the “SEC”) under the Securities Act.

Item 7.01. Regulation FD Disclosure.

On January 31, 2019, the Company issued a press release announcing the foregoing. A copy of the press release is being furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Item 7.01 of this Current Report on Form 8-K, together with the information in Exhibit 99.1, is being furnished and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liability of that Section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description of Exhibit
10.1	Form of Amended and Restated Stock Purchase Agreement (incorporated by reference to Exhibit 10.1 to the Company’s Form 8-K filed with the SEC on December 27, 2018)
10.2*	Form of Promissory Note in favor of the Company (the Non-Affiliate Note)
10.3*	Form of Promissory Note in favor of the Company (the Erdberg and Carpenter Trust Note)
99.1*	Press Release of the registrant dated January 31, 2019

*Filed herewith

SIGNATURE

Pursuant to the requirement of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DRONE AVIATION HOLDING CORP.

Date: January 31, 2019

By: /s/ Kendall Carpenter
Kendall Carpenter
Chief Financial Officer

THE SECURITIES REPRESENTED BY THIS CONVERTIBLE PROMISSORY NOTE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISPOSITION THEREOF. NO SUCH SALE OR DISPOSITION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE COMPANY (AS DEFINED BELOW) THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

PROMISSORY NOTE

\$500,000.00

January 28, 2019

FOR VALUE RECEIVED, pursuant to the terms and conditions of this Amended and Restated Promissory Note (this “Note”), [_____] a [_____] [_____] (the “Borrower”), hereby promises to pay to the order of Drone Aviation Holding Corp., a Nevada corporation, or registered assigns (the “Company”), on the February 7, 2019 (the “Maturity Date”), the sum of \$500,000.00 (the “Principal Amount”), and to pay interest on the outstanding Principal Amount at the rate of three percent (3%) per annum (subject to the terms below, the “Interest Rate”), in each case to the extent that this Note and the Principal Amount and any accrued interest hereunder (the “Indebtedness”) has not been paid prior to the Maturity Date. Interest shall commence accruing on the date hereof (the “Issue Date”), computed on the basis of a 365-day year and the actual number of days elapsed, and shall be payable as set forth herein.

The Borrower and the Company acknowledge and agree that this Note is entered into pursuant to the acquisition by the Borrower of certain securities of the Company (the “Securities”) pursuant to the Amended and Restated Common Stock Purchase Agreement, dated as of December 21, 2018, by and between the Company and the Purchasers (as defined below) a party thereto (the “Purchase Agreement”). Defined terms used herein without definition shall have the meanings given in the Purchase Agreement.

This Note is not a certificate of deposit or similar obligation of, and is not guaranteed or insured by, any depository institution, the Federal Deposit Insurance Corporation, the Securities Investor Protection Corporation or any other governmental or private fund or entity.

The following terms shall apply to this Note:

Section 1. Definitions. For the purposes hereof, the following definitions shall apply:

(a) “Affiliate” means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 of the Securities Act of 1933, as amended.

(b) “Business Day” means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of Florida are authorized or required by law or other governmental action to close.

(c) “Person” means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

Section 2. Payments and Additional Provisions.

(a) On the Maturity Date, to the extent not already paid, the Borrower shall pay to Company the Indebtedness in full.

(b) The Borrower may prepay all or a part of the Indebtedness due hereunder at any time.

Section 3. Event of Default and Cancellation of Securities.

(a) For the purpose of this Note, an event of default (“Event of Default”) will be deemed to have occurred if Company elects to declare such an Event of Default, which the Company may so elect in the event that (i) the Borrower fails to make the payment when due hereunder pursuant to Section 2(a) (if the full amount of the Indebtedness has not been prepaid pursuant to Section 2(b)); or (ii) the Borrower otherwise breaches any of its representations, warranties, covenants or agreements herein or in the Purchase Agreement.

(b) If an Event of Default occurs, the Company may at any time thereafter, without the approval of the Borrower and notwithstanding anything to the contrary herein or in the Purchase Agreement, cancel the Securities, following which the Securities shall not longer be issued and outstanding and no Person shall have any further right therein, and the Principal Amount and any accrued interest hereunder shall thereafter be deemed forgiven.

Section 4. No Transfer. For as long as any Indebtedness or other amounts are owed hereunder, without the prior written consent of the Company, which the Company may give or withhold in its sole discretion, the Borrower shall not, directly or indirectly, (i) offer, sell, offer to sell, contract to sell, hedge, pledge, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or sell (or announce any offer, sale, offer of sale, contract of sale, hedge, pledge, sale of any option or contract to purchase, purchase of any option or contract of sale, grant of any option, right or warrant to purchase or other sale or disposition), or otherwise transfer or dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by Borrower at any time in the future) this Note or any of the Securities, or (ii) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of this Note or any of the Securities, whether any such swap or transaction described in clause (i) or (ii) above is to be settled by delivery of this Note or any of the Securities or otherwise, and any of the foregoing attempted by the Borrower or any other Person without the prior written consent of the Company shall be null and void and of no force or effect.

Section 5. Miscellaneous.

(a) Notices. Any and all notices or other communications or deliveries to be provided hereunder shall be in writing and delivered personally, by email, or sent by a nationally recognized overnight courier service, addressed to the applicable party at the address as set forth below or such other address as the applicable party may specify for such purposes by notice to the other party delivered in accordance with this Section 6(a). Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date of email transmission, if such notice or communication is delivered via email with return receipt requested and received to the email address as set forth in this Section 6(a) prior to 5:30 p.m. (Central time) on any date, (ii) the second Business Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (iii) upon actual receipt by the party to whom such notice is required to be given.

If to the Borrower, to:

[_____]
Attn: [_____]

Email: [_____]

If to Company, to:

Drone Aviation Holding Corp.
Attn: President
11651 Central Parkway #118
Jacksonville, FL 32224
Email: derdberg@droneaviationcorp.com

With a copy, which shall not constitute notice, to:

Anthony L.G., PLLC
Attention: Laura Anthony
625 North Flagler Street, Suite 600,
West Palm Beach FL 33401
Email: lanthony@anthonypllc.com.

(b) Absolute Obligation. Except as expressly provided herein, no provision of this Note shall alter or impair the obligation of the Borrower, which is absolute and unconditional, to pay principal, damages and accrued interest, as applicable, on this Note at the time, place, and rate, and in the coin or currency, herein prescribed.

(c) Lost or Mutilated Note. If this Note shall be mutilated, lost, stolen or destroyed, the Borrower shall execute and deliver, in exchange and substitution for and upon cancellation of a mutilated Note, or in lieu of or in substitution for a lost, stolen or destroyed Note, a new Note so mutilated, lost, stolen or destroyed, but only upon receipt of evidence of such loss, theft or destruction of this Note, and of the ownership hereof reasonably satisfactory to the Borrower.

(d) Cost of Collection. If default is made in the payment of this Note, the Borrower shall pay the Company hereof costs of collection, including reasonable attorneys' fees.

(e) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Note shall be governed by and construed and enforced in accordance with the internal laws of the State of Florida without regard to the principles of conflict of laws thereof. Each party agrees that all legal proceedings concerning the interpretation, enforcement and defense of the transactions contemplated by this Note (whether brought against a party hereto or its respective Affiliates, directors, officers, shareholders, employees or agents) shall be commenced in the state and federal courts sitting in Duval County, Florida (the "Florida Courts"). Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the Florida Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of this Note), and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such Florida Courts, or such Florida Courts are improper or inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Note and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by applicable law. If any party shall commence an action or proceeding to enforce any provisions of this Note, then the prevailing party in such action or proceeding shall be reimbursed by the other party for its attorneys' fees and other costs and expenses incurred in the investigation, preparation and prosecution of such action or proceeding.

(f) Waiver of Jury Trial. EACH OF THE COMPANY AND THE BORROWER HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS NOTE. EACH OF THE COMPANY AND THE BORROWER CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, ABIDE BY THE FOREGOING WAIVER, (B) EACH OF THE COMPANY AND THE BORROWER UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) EACH OF THE COMPANY AND THE BORROWER MAKES THIS WAIVER VOLUNTARILY, AND (D) EACH OF THE COMPANY AND THE BORROWER HAS ENTERED INTO THIS NOTE FREELY AND FULLY UNDERSTANDS THE WAIVER IN THIS SECTION.

(g) Waiver. Any waiver by the Borrower or Company of a breach of any provision of this Note shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Note. The failure of the Borrower or Company to insist upon strict adherence to any term of this Note on one or more occasions shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Note on any other occasion. Any waiver by the Borrower or Company must be in writing.

(h) Severability. If any provision of this Note is invalid, illegal or unenforceable, the balance of this Note shall remain in effect, and if any provision is inapplicable to any Person or circumstance, it shall nevertheless remain applicable to all other Persons and circumstances. If it shall be found that any interest or other amount deemed interest due hereunder violates the applicable law governing usury, the applicable rate of interest due hereunder shall automatically be lowered to equal the maximum rate of interest permitted under applicable law.

(i) Next Business Day. Whenever any payment or other obligation hereunder shall be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day.

(j) Entire Agreement. This Note (including any recitals hereto) set forth the entire understanding of the parties with respect to the subject matter hereof, and shall not be modified or affected by any offer, proposal, statement or representation, oral or written, made by or for any party in connection with the negotiation of the terms hereof, and may be modified only by instruments signed by all of the parties hereto.

(k) Headings. The headings contained herein are for convenience only, do not constitute a part of this Note and shall not be deemed to limit or affect any of the provisions hereof.

(l) Currency. All dollar amounts are in U.S. dollars.

(m) Assignment. The Borrower may not assign this Note without the prior written consent of the Company, in Company's sole discretion.

(n) THE SECURITIES EVIDENCED BY THIS NOTE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR APPLICABLE STATE SECURITIES LAWS, AND NO INTEREST MAY BE SOLD, DISTRIBUTED, ASSIGNED, OFFERED, PLEDGED OR OTHERWISE TRANSFERRED UNLESS (A) THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS COVERING ANY SUCH TRANSACTION INVOLVING SAID SECURITIES, (B) THE COMPANY RECEIVES AN OPINION OF LEGAL COUNSEL FOR THE BORROWER SATISFACTORY TO THE COMPANY STATING THAT SUCH TRANSACTION IS EXEMPT FROM REGISTRATION, OR (C) THE COMPANY OTHERWISE SATISFIES ITSELF THAT SUCH TRANSACTION IS EXEMPT FROM REGISTRATION.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned has executed this Note as of the Issue Date.

Borrower: _____

By: _____

Name: _____

Title: _____

THE SECURITIES REPRESENTED BY THIS PROMISSORY NOTE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISPOSITION THEREOF. NO SUCH SALE OR DISPOSITION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE COMPANY (AS DEFINED BELOW) THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

PROMISSORY NOTE

\$ _____

Issue Date: _____

FOR VALUE RECEIVED, pursuant to the terms and conditions of this Amended and Restated Promissory Note (this "Note"), the _____, (the "Borrower"), hereby promises to pay to the order of Drone Aviation Holding Corp., a Nevada corporation, or registered assigns (the "Company"), on the first anniversary of the Issue Date as set forth above (the "Maturity Date"), the sum of \$ _____ (the "Principal Amount"), and to pay interest on the outstanding Principal Amount at the rate of three percent (3%) per annum (subject to the terms below, the "Interest Rate"), in each case to the extent that this Note and the Principal Amount and any accrued interest hereunder (the "Indebtedness") has not been paid prior to the Maturity Date. Interest shall commence accruing on the date hereof (the "Issue Date"), computed on the basis of a 365-day year and the actual number of days elapsed, and shall be payable as set forth herein.

The Borrower and the Company acknowledge and agree that this Note is entered into pursuant to the acquisition by the Borrower of certain securities of the Company (the "Securities") pursuant to the Amended and Restated Common Stock Purchase Agreement, dated as of December 21, 2018, by and between the Company and the Purchasers (as defined below) a party thereto (the "Purchase Agreement"). Defined terms used herein without definition shall have the meanings given in the Purchase Agreement.

This Note is not a certificate of deposit or similar obligation of, and is not guaranteed or insured by, any depository institution, the Federal Deposit Insurance Corporation, the Securities Investor Protection Corporation or any other governmental or private fund or entity.

The following terms shall apply to this Note:

Section 1. Definitions. For the purposes hereof, the following definitions shall apply:

(a) "**Affiliate**" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 of the Securities Act of 1933, as amended.

(b) "**Business Day**" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of Florida are authorized or required by law or other governmental action to close.

(c) “Person” means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

Section 2. Payments and Additional Provisions.

- (a) On the Maturity Date, to the extent not already paid, the Borrower shall pay to Company the Indebtedness in full.
- (b) The Borrower may prepay all or a part of the Indebtedness due hereunder at any time.
- (c) The Indebtedness may become due and payable prior to the Maturity Date pursuant to the provisions of Section 3(c).

Section 3. Full Recourse Note.

(a) THIS IS A FULL RECOURSE PROMISSORY NOTE. Accordingly, in the event of an Event of Default (as defined below), the Company shall have full recourse to all the other assets of Borrower, of any type and wherever located, and whether now owned or hereafter acquired. The Company shall not be required to proceed against or exhaust any particular assets, or to pursue any asset in any particular order, before the Company pursues any other remedies against Borrower or against any of Borrower’s assets.

(b) For the purpose of this Note, an event of default (“Event of Default”) will be deemed to have occurred if Company elects to declare such an Event of Default, which the Company may so elect in the event that (i) the Borrower fails to make the payment when due hereunder pursuant to Section 2(a) (if the full amount of the Indebtedness has not been prepaid pursuant to Section 2(b)); or (ii) the Borrower otherwise breaches any of its representations, warranties, covenants or agreements herein or in the Purchase Agreement.

- (c) If an Event of Default occurs, the full amount of the Indebtedness shall immediately be due and payable.

Section 4. Miscellaneous.

(a) Notices. Any and all notices or other communications or deliveries to be provided hereunder shall be in writing and delivered personally, by email, or sent by a nationally recognized overnight courier service, addressed to the applicable party at the address as set forth below or such other address as the applicable party may specify for such purposes by notice to the other party delivered in accordance with this Section 4. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date of email transmission, if such notice or communication is delivered via email with return receipt requested and received to the email address as set forth in this Section 4 prior to 5:30 p.m. (Central time) on any date, (ii) the second Business Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (iii) upon actual receipt by the party to whom such notice is required to be given.

If to the Borrower, to:

If to Company, to:

Drone Aviation Holding Corp.
Attn: President
11651 Central Parkway #118
Jacksonville, FL 32224
Email: _____@droneaviationcorp.com

With a copy, which shall not constitute notice, to:

Anthony L.G., PLLC
Attention: Laura Anthony
625 North Flagler Street, Suite 600,
West Palm Beach FL 33401
Email: lanthony@anthonypllc.com.

(b) Absolute Obligation. Except as expressly provided herein, no provision of this Note shall alter or impair the obligation of the Borrower, which is absolute and unconditional, to pay principal, damages and accrued interest, as applicable, on this Note at the time, place, and rate, and in the coin or currency, herein prescribed.

(c) Lost or Mutilated Note. If this Note shall be mutilated, lost, stolen or destroyed, the Borrower shall execute and deliver, in exchange and substitution for and upon cancellation of a mutilated Note, or in lieu of or in substitution for a lost, stolen or destroyed Note, a new Note so mutilated, lost, stolen or destroyed, but only upon receipt of evidence of such loss, theft or destruction of this Note, and of the ownership hereof reasonably satisfactory to the Borrower.

(d) Cost of Collection. If default is made in the payment of this Note, the Borrower shall pay the Company hereof costs of collection, including reasonable attorneys' fees.

(e) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Note shall be governed by and construed and enforced in accordance with the internal laws of the State of Florida without regard to the principles of conflict of laws thereof. Each party agrees that all legal proceedings concerning the interpretation, enforcement and defense of the transactions contemplated by this Note (whether brought against a party hereto or its respective Affiliates, directors, officers, shareholders, employees or agents) shall be commenced in the state and federal courts sitting in Duval County, Florida (the "Florida Courts"). Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the Florida Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of this Note), and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such Florida Courts, or such Florida Courts are improper or inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Note and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by applicable law. If any party shall commence an action or proceeding to enforce any provisions of this Note, then the prevailing party in such action or proceeding shall be reimbursed by the other party for its attorneys' fees and other costs and expenses incurred in the investigation, preparation and prosecution of such action or proceeding.

(f) Waiver of Jury Trial. EACH OF THE COMPANY AND THE BORROWER HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS NOTE. EACH OF THE COMPANY AND THE BORROWER CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, ABIDE BY THE FOREGOING WAIVER, (B) EACH OF THE COMPANY AND THE BORROWER UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) EACH OF THE COMPANY AND THE BORROWER MAKES THIS WAIVER VOLUNTARILY, AND (D) EACH OF THE COMPANY AND THE BORROWER HAS ENTERED INTO THIS NOTE FREELY AND FULLY UNDERSTANDS THE WAIVER IN THIS SECTION.

(g) Waiver. Any waiver by the Borrower or Company of a breach of any provision of this Note shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Note. The failure of the Borrower or Company to insist upon strict adherence to any term of this Note on one or more occasions shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Note on any other occasion. Any waiver by the Borrower or Company must be in writing.

(h) Severability. If any provision of this Note is invalid, illegal or unenforceable, the balance of this Note shall remain in effect, and if any provision is inapplicable to any Person or circumstance, it shall nevertheless remain applicable to all other Persons and circumstances. If it shall be found that any interest or other amount deemed interest due hereunder violates the applicable law governing usury, the applicable rate of interest due hereunder shall automatically be lowered to equal the maximum rate of interest permitted under applicable law.

(i) Next Business Day. Whenever any payment or other obligation hereunder shall be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day.

(j) Entire Agreement. This Note (including any recitals hereto) set forth the entire understanding of the parties with respect to the subject matter hereof, and shall not be modified or affected by any offer, proposal, statement or representation, oral or written, made by or for any party in connection with the negotiation of the terms hereof, and may be modified only by instruments signed by all of the parties hereto.

(k) Headings. The headings contained herein are for convenience only, do not constitute a part of this Note and shall not be deemed to limit or affect any of the provisions hereof.

(l) Currency. All dollar amounts are in U.S. dollars.

(m) **THE SECURITIES EVIDENCED BY THIS NOTE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR APPLICABLE STATE SECURITIES LAWS, AND NO INTEREST MAY BE SOLD, DISTRIBUTED, ASSIGNED, OFFERED, PLEDGED OR OTHERWISE TRANSFERRED UNLESS (A) THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS COVERING ANY SUCH TRANSACTION INVOLVING SAID SECURITIES, (B) THE COMPANY RECEIVES AN OPINION OF LEGAL COUNSEL FOR THE BORROWER SATISFACTORY TO THE COMPANY STATING THAT SUCH TRANSACTION IS EXEMPT FROM REGISTRATION, OR (C) THE COMPANY OTHERWISE SATISFIES ITSELF THAT SUCH TRANSACTION IS EXEMPT FROM REGISTRATION.**

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned has executed this Note as of the Issue Date.

Borrower: _____

By: _____

Name: _____

Title: _____



Drone Aviation Secures an Additional \$2.0 Million in Capital, Completing Private Placement Raising an Aggregate of \$4.0 Million

- Proceeds to Expand Production and Staffing Following Receipt of Previously Announced \$3.8 Million Contract -

JACKSONVILLE, FL – January 31, 2019 – Drone Aviation Holding Corp. (OTCQB: DRNE) (“Drone Aviation” or the “Company”), a developer of specialized, tethered aerial monitoring and communications platforms serving national defense and security customers, today announced that it completed an additional equity raise, securing an additional \$2.0 million through a private placement of common stock to certain accredited investors, including members of the Company’s management. The Company’s most recent capital raise follows an initial closing of \$2.0 million of new equity capital announced on January 8, 2019 for an aggregate of \$4.0 million.

The proceeds from the \$4.0 million in equity capital raised will be utilized to fund production and staffing as well as for general working capital following the receipt of a \$3.8 million contract award announced in early January 2019. The completed capital raise, along with the recent elimination of all the Company’s convertible debt, are key elements of management’s strategic growth plan.

“As a leading investor in this private placement, I am proud to say that we have secured the necessary capital to begin production on our largest and most significant government contract, capping a transformative month for Drone Aviation,” said Jay Nussbaum, Chairman and CEO of Drone Aviation. “Supported by this new funding, we are executing on our strategic plan to scale the business and I am confident in our ability to deliver to our customers in the military and those charged with protecting our nation.”

About Drone Aviation Holding Corp.

Drone Aviation Holding Corp. (OTCQB: DRNE) develops and manufactures cost-effective, compact and rapidly deployable aerial platforms including lighter-than-air aerostats and drones designed to provide government and commercial customers with enhanced surveillance and communication capabilities. Utilizing a patented tether system, Drone Aviation’s products are designed to provide prolonged operational duration capabilities combined with improved reliability, uniquely fulfilling critical requirements in military, law enforcement, commercial, and industrial applications. For more information about Drone Aviation, please visit www.DroneAviationCorp.com or view our reports and filings with the Securities and Exchange Commission at <http://www.sec.gov>, including the Risk Factors included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, as well as information in our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.



Forward-Looking Statements

Statements in this press release that are not historical facts are forward-looking statements that reflect management's current expectations, assumptions, and estimates of future performance and economic conditions, and involve risks and uncertainties that could cause actual results to differ materially from those anticipated by the statements made herein. Forward-looking statements are generally identifiable by the use of forward-looking terminology such as "believe," "expects," "may," "looks to," "will," "should," "plan," "intend," "on condition," "target," "see," "potential," "estimates," "preliminary," or "anticipates" or the negative thereof or comparable terminology, or by discussion of strategy or goals or other future events, circumstances, or effects. Moreover, forward-looking statements in this release include, but are not limited to, those relating to: the ability to support future military needs for advanced voice and data communications applications, the continuation of growing demand for drones for military and state and local law enforcement authorities. The Company's financial results and the forward-looking statements could be affected by many factors, including, but not limited to, demand for the Company's products and services, economic conditions in the U.S. and worldwide, changes in appropriations by Congress and reduced funding for defense procurement and research and development programs, and our ability to recruit and retain management, technical, and sales personnel. Further information relating to factors that may impact the Company's results and forward-looking statements are disclosed in the Company's filings with the SEC. The forward-looking statements contained in this press release are made as of the date of this press release, and the Company disclaims any intention or obligation, other than imposed by law, to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

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