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

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**FORM 8-K**

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**CURRENT REPORT**

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

**Date of Report (Date of earliest event reported): September 25, 2019**

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**Duos Technologies Group, Inc.**

*(Exact name of registrant as specified in its charter)*

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**Florida**  
*(State or Other Jurisdiction  
of Incorporation)*

**000-55497**  
*(Commission  
File Number)*

**65-0493217**  
*(I.R.S. Employer  
Identification No.)*

**6622 Southpoint Drive S., Suite 310  
Jacksonville, Florida 32216**  
*(Address of Principal Executive Office) (Zip Code)*

**(904) 652-1601**  
*(Registrant's telephone number, including area code)*

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*(Former Name or 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:

- 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))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---------------------|-------------------|---|
| None                | None              | None                                      |

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 checkmark 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.

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**Item 2.03 Creation of Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

On September 25, 2019 (the "Issuance Date"), Duos Technologies Group, Inc., a Florida corporation (the "Company") issued to two accredited investors (the "Investor"), promissory notes in the aggregate principal amount of \$1,000,000 (each a "Note," collectively, the "Notes") and warrants (the "Warrants") to purchase an aggregate of 625,000 shares of the Company's common stock, par value \$0.001 per share ("Common Stock").

The Notes accrue interest at a rate of 3% per annum and mature on June 25, 2020 (the "Maturity Date"). The Notes may be prepaid at any time prior to Maturity Date without penalty.

The Notes contain customary events of default (each an "Event of Default"). If an Event of Default occurs, the outstanding principal amount of the Notes, plus accrued but unpaid interest and fees, will become at the Investor's election, immediately due and payable in cash. Additionally, upon a failure to pay the outstanding principal amount and interest due on the Notes upon the Maturity Date, for every thirty (30) calendar days that the Company fails to pay such amounts following the Maturity Date, the Company shall issue to the Investors common stock purchase warrants permitting the Investors to purchase one hundred twenty five thousand (125,000) shares of common stock of the Borrower at a price per share of \$0.55. In the event of a failure to pay for any partial month, the number of additional common stock purchase warrants issuable shall be proportionately reduced. Any amount of principal or interest on the Notes which is not paid when due shall bear interest at the rate of sixteen percent (16%) per annum and compounded monthly from the date which is twelve (12) months from the Issuance Date until the same is paid.

Beginning on the date which is twelve (12) months from the Issuance Date, the Company shall remit the proceeds of any financing occurring after such date to the Investors to pay down any outstanding principal or interest up to the amounts then owing. If any amount of principal or interest on the Note remains outstanding on or after the date which is twelve (12) months from the Issuance Date, upon the request of the Investors, the Borrower shall cause the number of directors constituting its Board of Directors (the "Board") to be increased by one director and the Investors shall have the exclusive right, voting separately as a class, to elect the director to fill such newly created directorship.

The Warrants may be exercised at any time on or after the Issuance Date until 5:00 p.m., E.D.T. on the five (5) year anniversary of the Issuance Date (the "Expiration Date"). The Warrants are exercisable at a price of \$0.55 per share, subject to adjustment as further described in the Warrant (the "Exercise Price").

Item 2.03 of this Current Report on Form 8-K contains only a brief description of the material terms of the Notes and the Warrants and does not purport to be a complete description of the rights and obligations of the parties thereunder, and such descriptions are qualified in their entirety by reference to the full text of the Note and the Warrants the forms of which are attached as Exhibits 10.1, and 10.2, respectively, to this Current Report on Form 8-K, and are incorporated herein by reference.

**Item 3.02 Unregistered Sales of Equity Securities.**

The applicable information set forth in Item 2.03 of this Current Report on Form 8-K is incorporated by reference in this Item 3.02. The Notes and Warrants were not registered under the Securities Act but qualified for exemption under Section 4(a)(2) and/or Regulation D of the Securities Act. The securities were exempt from registration under Section 4(a)(2) of the Securities Act because the issuance of such securities by the Company did not involve a "public offering," as defined in Section 4(a)(2) of the Securities Act, due to the insubstantial number of persons involved in the transaction, size of the offering, manner of the offering and number of securities offered. The Company did not undertake an offering in which it sold a high number of securities to a high number of investors. In addition, the Investors had the necessary investment intent as required by Section 4(a)(2) of the Securities Act since the Investors agreed to, and received, the securities bearing a legend stating that such securities are restricted pursuant to Rule 144 of the Securities Act. This restriction ensures that these securities would not be immediately redistributed into the market and therefore not be part of a "public offering." Based on an analysis of the above factors, the Company has met the requirements to qualify for exemption under Section 4(a)(2) of the Securities Act.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

| <b>Exhibit<br/>Number</b> | <b>Description</b>  |
|---------------------------|---|
| 10.1                      | <a href="#">Form of Promissory Note, dated September 25, 2019</a>               |
| 10.2                      | <a href="#">Form of Common Stock Purchase Warrant, dated September 25, 2019</a> |

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

**DUOS TECHNOLOGIES GROUP, INC.**

Dated: September 27, 2019

By: /s/ Adrian Goldfarb  
Adrian Goldfarb  
Chief Financial Officer

PROMISSORY NOTE

Principal Amount:

Date:

Purchase Price:

FOR VALUE RECEIVED, DUOS TECHNOLOGIES GROUP, INC., a corporation incorporated under the laws of the State of Florida and located at 6622 Southpoint Drive S., Suite 310, Jacksonville, Florida 32216 (the "Borrower"), hereby promises to (i) pay to the order of \_\_\_\_\_, and having an address at \_\_\_\_\_, or its successors or assigns (the "Lender"), the principal amount of \_\_\_\_\_ United States Dollars (US\$ \_\_\_\_\_) by no later than the date that is June 25, 2020 (the "Maturity Date") and to pay interest on the principal amount outstanding hereunder at the rate of three percent (3%) per annum commencing on the date hereof ("Issuance Date"), and (ii) issue to the Lender a common stock purchase warrant permitting the Lender to purchase for cash \_\_\_\_\_ shares of common stock of the Borrower at a price per share of \$0.55 (the "Warrants") in the form of Exhibit A hereto. This Promissory Note, as may be amended or supplemented from time to time, shall be referred to herein as the "Note".

1. Defined Terms. For purposes of this Note, except as otherwise expressly provided or otherwise defined elsewhere in this Note, or unless the context otherwise requires, the capitalized terms in this Note shall have the meanings assigned to them as follows:

1.1 "Assets" means all of the properties and assets of the Person in question, as the context may so require, whether real, personal or mixed, tangible or intangible, wherever located, whether now owned or hereafter acquired.

1.2 "Borrower" shall have the meaning given to it in the preamble hereof.

1.3 "Business Day" shall mean any day other than a Saturday, Sunday or a legal holiday on which federal banks are authorized or required to be closed for the conduct of commercial banking business.

1.4 "Change of Control" shall mean that (i) the Borrower or any of its Subsidiaries shall, directly or indirectly, in one or more related transactions, (1) consolidate or merge with or into (whether or not the Borrower or any of its Subsidiaries is the surviving corporation) any other Person, or (2) sell, lease, license, assign, transfer, convey or otherwise dispose of all or substantially all of its respective properties or assets to any other Person, or (3) allow any other Person to make a purchase, tender or exchange offer that is accepted by the holders of more than 50% of the outstanding shares of capital stock of the Borrower, or (4) consummate a stock or share purchase agreement or other business combination (including, without limitation, a



reorganization, recapitalization, spin-off or scheme of arrangement) with any other Person whereby such other Person acquires more than 50% of the outstanding shares of capital stock of the Borrower, or (ii) any “person” or “group” (as these terms are used for purposes of Sections 13(d) and 14(d) of the 1934 Act and the rules and regulations promulgated thereunder) is or shall become the “beneficial owner” (as defined in Rule 13d-3 under the 1934 Act), directly or indirectly, of 50% of the aggregate voting power represented by issued and outstanding capital stock of the Borrower.

1.5 “Consent” means any consent, approval, order or authorization of, or any declaration, filing or registration with, or any application or report to, or any waiver by, or any other action (whether similar or dissimilar to any of the foregoing) of, by or with, any Person, which is necessary in order to take a specified action or actions, in a specified manner and/or to achieve a specific result.

1.6 “Event of Default” shall have the meaning given to it in Section 3.1.

1.7 “Governmental Authority” means any foreign, federal, state or local government, or any political subdivision thereof, or any court, agency or other body, organization, group, stock market or exchange exercising any executive, legislative, judicial, quasi-judicial, regulatory or administrative function of government.

1.8 “Law” means any provision of any law, statute, ordinance, code, constitution, charter, treaty, rule or regulation of any Governmental Authority.

1.9 “Lender” shall have the meaning given to it in the preamble hereof.

1.10 “Material Adverse Effect” means any material adverse effect on (i) the business, properties, assets, liabilities, operations (including results thereof), condition (financial or otherwise) or prospects of the Borrower and its Subsidiaries taken as a whole or (ii) the authority or ability of the Borrower or any of its Subsidiaries to perform any of their respective obligations under any of the Transaction Documents.

1.11 “Maturity Date” shall have the meaning given to it in the preamble hereof.

1.12 “Note” shall have the meaning given to it in the preamble hereof.

1.13 “Obligations” means, now existing or in the future, any debt, liability or obligation of any nature whatsoever (including any required performance of any covenants or agreements), whether secured, unsecured, recourse, nonrecourse, liquidated, unliquidated, accrued, voluntary or involuntary, direct or indirect, absolute, fixed, contingent, ascertained, unascertained, known, unknown, whether or not jointly owed with others, whether or not from time to time decreased or extinguished and later decreased, created or incurred, or obligations existing or incurred under this Note or any other Transaction Documents, or any other agreement between any of the Borrower[, the Guarantor] and the Lender, as such obligations may be amended, supplemented, converted, extended or modified from time to time.

1.14 “Person” means any individual, sole proprietorship, joint venture, partnership, company, corporation, association, cooperation, trust, estate, Governmental Authority, or any other entity of any nature whatsoever.

1.15 “Subsidiary” means any Person in which the Borrower, directly or indirectly, (i) owns or acquires any of the outstanding capital stock or holds any equity or similar interest of such Person or (ii) controls or operates all or any part of the business, operations or administration of such Person, and all of the foregoing, collectively, “Subsidiaries.”

1.16 “Transaction Documents” means this Note, the Warrant and the Registration Rights Agreement.

2. Payments of Principal and Interest.

2.1 Payment of Principal. The principal amount of this Note shall be paid to the Lender no later than the Maturity Date.

2.2 Payment of Interest. Except as otherwise provided herein, all interest on the principal amount of this Note shall be paid to the Lender no later than the Maturity Date.

2.3 General Payment Provisions. All payments of principal and interest, if any, on this Note shall be made in lawful money of the United States of America by wire transfer to such account as the Lender may designate by written notice to the Borrower in accordance with the provisions of this Note. Whenever any amount expressed to be due by the terms of this Note is due on any day which is not a Business Day, the same shall instead be due on the next succeeding Business Day.

2.4 Optional Prepayment. The Borrower may pre-pay this Note without penalty at any time, provided that all payments, including prepayments on this Note, shall be made proportionately to Lender and 21 April Fund LP pursuant to the Promissory Note dated as of the date here in the original principal amount of Two Hundred Sixty Seven Thousand Dollars (\$267,000.00) (the “Parallel Note”).

3. Defaults and Remedies.

3.1 Events of Default. An “Event of Default” means:

3.1.1 the Borrower shall fail to pay any interest, principal or other charges due under this Note on the date when any such payment shall be due and payable, and such failure continues or remains uncured for ten (10) days following the due date therefor;

- 3.1.2 the Borrower shall fail to perform, comply with or abide by any of the stipulations, agreements, conditions and/or covenants contained in this Note on the part of the Borrower to be performed complied with or abided by, and, if such failure is curable, such failure continues or remains uncured for ten (10) days following written notice from the Lender to the Borrower;
- 3.1.3 the Borrower breaches any representation or warranty in any material respect (other than representations or warranties subject to material adverse effect or materiality limitations, which may not be breached in any respect);
- 3.1.4 the bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings for the relief of debtors shall be instituted by or against the Borrower or any Subsidiary and, if instituted against the Borrower or any Subsidiary by a third party, shall not be dismissed within forty-five (45) days of their initiation;
- 3.1.5 the commencement by the Borrower or any Subsidiary of a voluntary case or proceeding under any applicable federal, state or foreign bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by it to the entry of a decree, order, judgment or other similar document in respect of the Borrower or any Subsidiary in an involuntary case or proceeding under any applicable federal, state or foreign bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable federal, state or foreign law, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Borrower or any Subsidiary or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the execution of a composition of debts, or the occurrence of any other similar federal, state or foreign proceeding, or the admission by it in writing of its inability to pay its debts generally as they become due, the taking of corporate action by the Borrower or any Subsidiary in furtherance of any such action or the taking of any action by any Person to commence a Uniform Commercial Code foreclosure sale or any other similar action under federal, state or foreign law;
- 3.1.6 the entry by a court of (i) a decree, order, judgment or other similar document in respect of the Borrower or any Subsidiary of a voluntary or involuntary case or proceeding under any applicable federal, state or foreign bankruptcy, insolvency, reorganization or other similar law or (ii) a decree, order, judgment or other similar document adjudging the Borrower or any Subsidiary as bankrupt or insolvent, or approving as properly filed a petition seeking liquidation, reorganization, arrangement, adjustment or composition of or in



respect of the Borrower or any Subsidiary under any applicable federal, state or foreign law or (iii) a decree, order, judgment or other similar document appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Borrower or any Subsidiary or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree, order, judgment or other similar document or any such other decree, order, judgment or other similar document unstayed and in effect for a period of thirty (30) consecutive days; or

3.1.7 there occurs a Change of Control other than in accordance with Article 5 hereof.

3.2 Remedies. Upon the occurrence of an Event of Default that is not timely cured within an applicable cure period hereunder, the Lender may, in its sole discretion, accelerate full repayment of all principal amounts outstanding hereunder, together with accrued interest thereon, together with all attorneys' fees, paralegals' fees and costs and expenses incurred by the Lender in collecting or enforcing payment hereof (whether such fees, costs or expenses are incurred in negotiations, all trial and appellate levels, administrative proceedings, bankruptcy proceedings or otherwise), and together with all other sums due by the Borrower hereunder, all without any relief whatsoever from any valuation or appraisal laws, and payment thereof may be enforced and recovered in whole or in part at any time by one or more of the remedies provided to the Lender at law, in equity, or under this Note. Additionally, upon a failure to pay the outstanding principal amount and interest due on this Note upon the Maturity Date, for every thirty (30) calendar days that the Borrower fails to pay such amounts following the Maturity Date, the Borrower shall issue to the Lender a common stock purchase warrant permitting the Lender to purchase for cash Ninety One Thousand Six Hundred Twenty Five (91,625) shares of common stock of the Borrower at a price per share of \$0.55, in the form attached hereto as Exhibit A, provided that the Issue Date shall be the date such warrant is actually issued. In the event of a failure to pay for any partial month, the number of additional common stock purchase warrants issuable pursuant to the immediately preceding sentence shall be proportionately reduced. Any amount of principal or interest on this Note which is not paid when due shall bear interest at the rate of sixteen percent (16%) per annum and compounded monthly from the date which is twelve (12) months from the Issuance Date until the same is paid. The Borrower further agrees that beginning on the date which is twelve (12) months from the Issuance Date, the Borrower shall remit the proceeds of any financing occurring after such date to the Lender to pay down any outstanding principal or interest up to the amounts then owing. If any amount of principal or interest on this Note remains outstanding on or after the date which is twelve (12) months from the Issuance Date, upon the request of the Lender, the Borrower shall cause the number of directors constituting its Board of Directors (the "Board") to be increased by one director and the holders of this Note and the Parallel Note shall have the exclusive right, voting separately as a class, to elect the director to fill such newly created directorship.

4. Representations and Warranties.

4.1 Organization. The Borrower is a corporation duly incorporated, validly existing and in good standing under the Laws of Florida, and has the full power and authority and all necessary certificates, licenses and approvals: (i) to enter into and execute this Note and to perform all of its Obligations hereunder; and (ii) to own and operate its Assets and properties and to conduct and carry on its business as and to the extent now conducted. The Borrower is duly qualified to transact business and is in good standing as a foreign corporation in each jurisdiction where the character of its business or the ownership or use and operation of its Assets or properties requires such qualification. The exact legal name of the Borrower is as set forth in the preamble to this Note, and the Borrower does not currently conduct, nor has the Borrower, during the last five (5) years conducted, business under any other name or trade name.

4.2 Authority and Approval of Agreement; Binding Effect. The execution and delivery by the Borrower of this Note and the issuance of the Warrants, and the performance by the Borrower of all of its Obligations hereunder, has been duly and validly authorized and approved by the Borrower and, its members and managers pursuant to all applicable Laws and no other action or Consent on the part of its board, shareholders or any other Person is necessary or required by the Borrower to execute this Note, consummate the transactions contemplated herein, perform all of its Obligations hereunder. This Note has been duly and validly executed by the Borrower (and the officer executing this Note is duly authorized to act and execute same on behalf of the Borrower) and constitutes the valid and legally binding agreement of the Borrower, enforceable against the Borrower in accordance with its terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies.

4.3 Warrant Shares. The issuance of the Warrant and the shares issuable thereunder (the "Warrant Shares") are duly authorized and upon issuance in accordance with the terms of the Transaction Documents shall be validly issued, fully paid and non-assessable and free from all preemptive or similar rights, mortgages, defects, claims, liens, pledges, charges, taxes, rights of first refusal, encumbrances, security interests and other encumbrances (collectively "Liens") with respect to the issuance thereof and, with respect to the Warrant Shares, with the holders being entitled to all rights accorded to a holder of Common Stock. Subject to the accuracy of the representations and warranties of the Lender in this Agreement, the offer and issuance by the Borrower of the Warrant and the Warrant Shares is exempt from registration under the 1933 Act.

4.4 Application of Takeover Protections; Rights Agreement. The Borrower has taken all necessary action, if any, in order to render inapplicable any control share acquisition, interested stockholder, business combination, poison pill (including, without limitation, any distribution under a rights agreement), stockholder rights plan or other similar anti-takeover provision under the Certificate of Incorporation, Bylaws or other organizational documents or the laws of the jurisdiction of its incorporation or otherwise which is or could become applicable to Lender as a result of the transactions contemplated by this Agreement, including, without limitation, the Borrower's issuance of the Warrant and the Warrant Shares and the Lender's ownership of the Warrant and the Warrant Shares. The Borrower has taken all necessary action,

if any, in order to render inapplicable any stockholder rights plan or similar arrangement relating to accumulations of beneficial ownership of shares of Common Stock or a change in control of the Borrower or any of its Subsidiaries relating to the transactions contemplated hereby, including the exercise of the Warrants and the acquisition of the Warrant Shares.

4.5 SEC Information. Since January 1, 2018, the Borrower has filed with or furnished to the SEC all reports, schedules, forms, statements and other documents required to be filed or furnished by it with the Securities and Exchange Commission ("SEC") pursuant to the reporting requirements of the Securities Exchange Act of 1934 Act, as amended (the "1934 Act") (all of the foregoing and all other documents filed with the SEC since such date and all exhibits included therein, schedules thereto and documents incorporated by reference therein, being hereinafter referred to herein as the "SEC Documents"). As of their respective dates, the SEC Documents complied as to form in all material respects with the requirements of the 1934 Act and the rules and regulations of the SEC promulgated thereunder applicable to the SEC Documents, and none of the SEC Documents, at the time they were filed with the SEC, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under Borrower they were made, not misleading. As of their respective dates, the financial statements of the Company included in the SEC Documents, including any related notes thereto (the "Financial Statements"), complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto. The Borrower is not currently contemplating to amend or restate any of the Financial Statements, nor is the Borrower currently aware of facts or circumstances which would require the Borrower to amend or restate any of the Financial Statements. The Borrower has not been informed by its independent accountants that they recommend that the Borrower amend or restate any of the Financial Statements or that there is any need for the Borrower to amend or restate any of the Financial Statements. Since December 31, 2018, there has been no Material Adverse Effect on the Borrower and its Subsidiaries, taken as a whole.

5. Covenants.

5.1 Legal Existence. The Borrower shall at all times preserve and maintain its: (i) existence and good standing in the jurisdiction of its organization; and (ii) its qualification to do business and good standing in each jurisdiction where the nature of its business makes such qualification necessary, and shall at all times continue as a going concern in the business which the Borrower is presently conducting.

5.2 Notice of Default. The Borrower shall, promptly, but not more than five (5) days after the commencement thereof, give notice to the Lender in writing of the occurrence of any "Event of Default" or of any event which, with the lapse of time, the giving of notice or both, would constitute an Event of Default hereunder.

5.3 Change of Control. The Borrower or any of its Subsidiaries shall not, directly or indirectly, in one or more related transactions, (1) consolidate or merge with or into any other Person, or (2) sell, lease, license, assign, transfer, convey or otherwise dispose of all or

substantially all of its respective properties or assets to any other Person, or (3) enter into any similar transaction unless the surviving entity in such Change of Control assumes in writing all of the obligations of the Borrower under this Note and the other Transaction Documents pursuant to written agreements in form and substance satisfactory to the Lender and approved by the Lender prior to the occurrence of such Change of Control.

5.4 Distributions. The Borrower shall not declare or pay any dividends on its capital stock (other than in shares of its capital stock), consummate a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with any other Person.

5.5 Disclosure. Upon receipt or delivery by the Borrower of any notice in accordance with the terms of this Note, unless the Borrower has in good faith determined that the matters relating to such notice do not constitute material, non-public information relating to the Borrower or any of its Subsidiaries, the Borrower shall promptly after any such receipt or delivery publicly disclose such material, non-public information on a Current Report on Form 8-K or otherwise. In the event that the Borrower believes that a notice contains material, non-public information relating to the Borrower or any of its Subsidiaries, the Borrower so shall indicate to the Lender contemporaneously with delivery of such notice, and in the absence of any such indication, the Lender shall be allowed to presume that all matters relating to such notice do not constitute material, non-public information relating to the Borrower or any of its Subsidiaries. If the Borrower or any of its Subsidiaries provides material non-public information to the Lenders that is not simultaneously filed in a Current Report on Form 8-K and the Lender has not agreed to receive such material non-public information, the Borrower hereby covenants and agrees that the Lender shall not have any duty of confidentiality to the Borrower, any of its Subsidiaries or any of their respective officers, directors, employees, affiliates or agents with respect to, or a duty to any of the foregoing not to trade on the basis of, such material non-public information.

6. Miscellaneous.

6.1 Lost or Stolen Note. Upon notice to the Borrower of the loss, theft, destruction or mutilation of this Note, and, in the case of loss, theft or destruction, of an indemnification undertaking by the Lender to the Borrower in a customary and reasonable form and, in the case of mutilation, upon surrender and cancellation of the Note, the Borrower shall execute and deliver a new Note of like tenor and date and in substantially the same form as this Note.

6.2 Severability. In the event any one or more of the provisions of this Note shall for any reason be held to be invalid, illegal, or unenforceable, in whole or in part, in any respect, or in the event that any one or more of the provisions of this Note operates or would prospectively operate to invalidate this Note, then and in any of those events, only such provision or provisions shall be deemed null and void and shall not affect any other provision of this Note. The remaining provisions of this Note shall remain operative and in full force and effect and shall in no way be affected, prejudiced, or disturbed thereby.

6.3 Cancellation. After all principal, accrued interest and other amounts at any time owed on this Note has been indefeasibly paid in full, this Note shall automatically be deemed canceled, shall be surrendered to the Borrower for cancellation and shall not be re-issued.

6.4 Entire Agreement and Amendments. This Note and the other Transaction Documents represents the entire agreement between the parties hereto with respect to the subject matter hereof and thereof, and there are no representations, warranties or commitments, except as set forth herein. This Note may be amended only by an instrument in writing executed by the parties hereto.

6.5 Binding Effect. This Note shall be binding upon the Borrower and the successors and assigns of the Borrower and shall inure to the benefit of the Lender and the successors and assigns of the Lender.

6.6 Governing Law and Venue. The Borrower and Lender each irrevocably agrees that any dispute arising under, relating to, or in connection with, directly or indirectly, this Note or related to any matter which is the subject of or incidental to this Note (whether or not such claim is based upon breach of contract or tort) shall be subject to the exclusive jurisdiction and venue of the state and/or federal courts located in Broward County, Florida. This provision is intended to be a “mandatory” forum selection clause and governed by and interpreted consistent with Florida law. The Borrower and Lender each hereby consents to the exclusive jurisdiction and venue of any state or federal court having its situs in said county, and each waives any objection based on forum non conveniens. The Borrower hereby waives personal service of any and all process and consent that all such service of process may be made by certified mail, return receipt requested, directed to the Borrower, as set forth herein in the manner provided by applicable statute, law, rule of court or otherwise. All terms and provisions hereof and the rights and obligations of the Borrower and Lender hereunder shall be governed, construed and interpreted in accordance with the laws of the State of Florida, without reference to conflict of laws principles.

6.7 Usury Savings Clause. Notwithstanding any provision in this Note to the contrary, the total liability for payments of interest and payments in the nature of interest, including, without limitation, all charges, fees, exactions, or other sums which may at any time be deemed to be interest, shall not exceed the limit imposed by the usury laws of the jurisdiction governing this Note or any other applicable law. In the event the total liability of payments of interest and payments in the nature of interest, including, without limitation, all charges, fees, exactions or other sums which may at any time be deemed to be interest, shall, for any reason whatsoever, result in an effective rate of interest, which for any month or other interest payment period exceeds the limit imposed by the usury laws of the jurisdiction governing this Note, all sums in excess of those lawfully collectible as interest for the period in question shall, without further agreement or notice by, between, or to any party hereto, be applied to the reduction of the outstanding principal balance due hereunder immediately upon receipt of such sums by the Lender hereof, with the same force and effect as though the Borrower had specifically designated such excess sums to be so applied to the reduction of the principal balance then outstanding, and

the Lender hereof had agreed to accept such sums as a penalty-free payment of principal; provided, however, that the Lender may, at any time and from time to time, elect, by notice in writing to the Borrower, to waive, reduce, or limit the collection of any sums in excess of those lawfully collectible as interest, rather than accept such sums as a prepayment of the principal balance then outstanding. It is the intention of the parties that the Borrower does not intend or expect to pay, nor does the Lender intend or expect to charge or collect any interest under this Note greater than the highest non-usurious rate of interest which may be charged under applicable law.

6.8 Remedies, Characterizations, Other Obligations, Breaches and Injunctive Relief. The remedies provided in this Note shall be cumulative and in addition to all other remedies available under this Note, at law or in equity.

6.9 Specific Shall Not Limit General; Construction. No specific provision contained in this Note shall limit or modify any more general provision contained herein. This Note shall be deemed to be jointly drafted by the Borrower and the Lender and shall not be construed against any person as the drafter hereof.

6.10 Failure or Indulgence Not Waiver. No failure or delay on the part of this Note in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege.

6.11 Notice. Notice shall be given to each party at the address indicated in the preamble or at such other address as provided to the other party in writing.

6.12 Transfer. This Note may be transferred by the Lender without the consent of the Borrower.

6.13 Collection Costs. If (a) this Note is placed in the hands of an attorney for collection or enforcement or is collected or enforced through any legal proceeding or the Borrower otherwise takes action or incurs costs to collect amounts due under this Note or to enforce the provisions of this Note or (b) there occurs any bankruptcy, reorganization, receivership of the Borrower or other proceedings affecting creditors' rights and involving a claim under this Note, then the Borrower shall pay the costs incurred by the Lender for such collection, enforcement or action or in connection with such bankruptcy, reorganization, receivership or other proceeding, including, without limitation, attorneys' fees and disbursements.

*[signature page follows]*

**IN WITNESS WHEREOF**, the parties have caused this Note to be executed on and as of the Issuance Date.

**DUOS TECHNOLOGIES GROUP, INC.,**  
as Borrower

By: \_\_\_\_\_  
Name:  
Title:

Date:

Principal Amount:

Purchase Price:

*[ signature page to Promissory Note ]*

EXHIBIT A  
FORM OF WARRANT



NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE EXERCISABLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE HOLDER), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

Right to Purchase \_\_\_\_\_ shares of Common Stock of Duos Technologies Group, Inc. (subject to adjustment as provided herein)

### COMMON STOCK PURCHASE WARRANT

No. \_\_\_

Issue Date:

**DUOS TECHNOLOGIES GROUP, INC.**, a corporation organized under the laws of the State of Florida (the “**Company**”), hereby certifies that, for value received, \_\_\_\_\_, or its assigns (the “**Holder**”), is entitled, subject to the terms set forth below, to purchase from the Company at any time after the Issue Date until 5:00 p.m., E.D.T. on the five (5) year anniversary of the Issue Date (the “**Expiration Date**”), up to \_\_\_\_\_ fully paid and non-assessable shares of the Company’s common stock, par value \$0.001 per share (the “**Common Stock**”) at a per share purchase price of \$\_\_\_\_. The purchase price per share, as adjusted from time to time as herein provided, is referred to herein as the “**Purchase Price**.” The number and character of such shares of Common Stock and the Purchase Price are subject to adjustment as provided herein. The Company may reduce the Purchase Price for some or all of the Warrants, temporarily or permanently, *provided* such reduction is made as to all outstanding Warrants for all Holders of such Warrants.

As used herein the following terms, unless the context otherwise requires, have the following respective meanings:

(a) The term “**Company**” shall mean Duos Technologies Group, Inc., a Florida corporation.

(b) The term “**Common Stock**” includes (i) the Company’s Common Stock, \$0.001 par value per share and (ii) any other securities into which or for which any of the securities described in (i) may be converted or exchanged pursuant to a plan of recapitalization, reorganization, merger, sale of assets or otherwise.

(c) The term “**Other Securities**” refers to any stock (other than Common Stock) and other securities of the Company or any other person (corporate or otherwise) which the holder of the Warrant at any time shall be entitled to receive, or shall have received, on the exercise of the Warrant, in lieu of or in addition to Common Stock, or which at any time shall be issuable or shall have been issued in exchange for or in replacement of Common Stock or Other Securities pursuant to Section 5 hereof or otherwise.

(d) The term “**Warrant Shares**” shall mean the Common Stock issuable upon exercise of this Warrant.

1. Exercise of Warrant.

1.1. Number of Shares Issuable upon Exercise. From and after the Issue Date through and including the Expiration Date, the Holder shall be entitled to receive, upon exercise of this Warrant in whole in accordance with the terms of Section 1.2 hereof or upon exercise of this Warrant in part in accordance with Section 1.3 hereof, shares of Common Stock of the Company, subject to adjustment pursuant to Section 3 hereof.

1.2. Full Exercise. This Warrant may be exercised in full by the Holder hereof by delivery to the Company of an original or facsimile copy of the form of subscription attached as Exhibit A hereto (the “**Subscription Form**”) duly executed by such Holder and delivered within two (2) business days thereafter of payment, in cash, wire transfer or by certified or official bank check payable to the order of the Company, in the amount obtained by multiplying the number of shares of Common Stock for which this Warrant is then exercisable by the Purchase Price then in effect. The original Warrant is not required to be surrendered to the Company until it has been fully exercised.

1.3. Partial Exercise. This Warrant may be exercised in part (but not for a fractional share) by delivery of a Subscription Form in the manner and at the place provided in Section 1.2 hereof, except that the amount payable by the Holder on such partial exercise shall be the amount obtained by multiplying (a) the number of whole shares of Common Stock designated by the Holder in the Subscription Form by (b) the Purchase Price then in effect. On any such partial exercise, upon the written request of the Holder, provided the Holder has surrendered the original Warrant, the Company, at its expense, will forthwith issue and deliver to or upon the order of the Holder a new Warrant of like tenor, in the name of the Holder hereof or as such Holder (upon payment by such Holder of any applicable transfer taxes) may request, the whole number of shares of Common Stock for which such Warrant may still be exercised.

1.4. Fair Market Value. For purposes of this Warrant, the **Fair Market Value** of a share of Common Stock as of a particular date (the “**Determination Date**”) shall mean:

(a) If the Company’s Common Stock is traded on an exchange or on the NASDAQ Global Market, NASDAQ Global Select Market, the NASDAQ Capital Market, the New York Stock Exchange or the NYSE AMEX Equities, then the average of the closing sale prices of the Common Stock for the five (5) trading days immediately prior to (but not including) the Determination Date;

(b) If the Company’s Common Stock is not traded on an exchange or on the NASDAQ Global Market, NASDAQ Global Select Market, the NASDAQ Capital Market, the New York Stock Exchange or the NYSE AMEX Equities, but is traded on the OTC Bulletin Board or in the over-the-counter market or Pink Sheets, then the average of the closing bid and ask prices reported for the five (5) trading days immediately prior to (but not including) the Determination Date;

(c) Except as provided in clause (d) below and Section 3.1 hereof, if the Company’s Common Stock is not publicly traded, then as the Holder and the Company shall mutually agree, or in the absence of such an agreement after good faith efforts of the Company and the Holder to reach an agreement, by arbitration in accordance with the rules then standing of the American Arbitration Association, before a single arbitrator to be chosen from a panel of persons qualified by education and training to pass on the matter to be decided; or

(d) If the Determination Date is the date of a liquidation, dissolution or winding up, or any event deemed to be a liquidation, dissolution or winding up pursuant to the Company’s charter, then all amounts to be payable per share to holders of the Common Stock pursuant to the charter in the event of such liquidation, dissolution or winding up, plus all other amounts to be payable per share in respect of the Common Stock in liquidation under the charter, assuming for the purposes of this clause (d) that all of the shares of Common Stock then issuable upon exercise of all of the Warrants are outstanding at the Determination Date.

1.5. Company Acknowledgment. The Company will, at the time of the exercise of the Warrant, upon the request of the Holder hereof, acknowledge in writing its continuing obligation to afford to such Holder any rights to which such Holder shall continue to be entitled after such exercise in accordance with the provisions of this Warrant. If the Holder shall fail to make any such request, such failure shall not affect the continuing obligation of the Company to afford to such Holder any such rights.

1.6. Delivery of Stock Certificates, etc. on Exercise. The Company agrees that, provided the purchase price listed in the Subscription Form is received as specified in Section 2 hereof, the shares of Common Stock purchased upon exercise of this Warrant shall be deemed to be issued to the Holder hereof as the record owner of such shares as of the close of business on the date on which delivery of a Subscription Form shall have occurred and payment made for such shares as aforesaid. As soon as practicable after the exercise of this Warrant in full or in part and the payment is made, and in any event within five (5) business days thereafter (“**Warrant Share Delivery Date**”), the Company, at its expense (including the payment by it of any applicable issue taxes), will cause to be issued in the name of, and delivered to, the Holder hereof, or as such Holder (upon payment by such Holder of any

applicable transfer taxes) may direct in compliance with applicable securities laws, a certificate or certificates for the number of duly and validly issued, fully paid and non-assessable shares of Common Stock (or Other Securities) to which such Holder shall be entitled on such exercise, plus, in lieu of any fractional share to which such Holder would otherwise be entitled, cash equal to such fraction multiplied by the then Fair Market Value of one full share of Common Stock, together with any other stock or other securities and property (including cash, where applicable) to which such Holder is entitled upon such exercise pursuant to Section 1 hereof or otherwise. The Company understands that a delay in the delivery of the Warrant Shares after the Warrant Share Delivery Date could result in economic loss to the Holder. As compensation to the Holder for such loss, the Company agrees to pay (as liquidated damages and not as a penalty) to the Holder for late issuance of Warrant Shares upon exercise of this Warrant the proportionate amount of \$100 per business day after the Warrant Share Delivery Date for each \$10,000 of Purchase Price of Warrant Shares for which this Warrant is exercised which are not timely delivered. The Company shall promptly pay any payments incurred under this Section in immediately available funds upon demand. Furthermore, in addition to any other remedies which may be available to the Holder, in the event that the Company fails for any reason to effect delivery of the Warrant Shares by the Warrant Share Delivery Date, the Holder may revoke all or part of the relevant Warrant exercise by delivery of a written notice to such effect to the Company, whereupon the Company and the Holder shall each be restored to their respective positions immediately prior to the exercise of the relevant portion of this Warrant, except that the liquidated damages described above shall be payable through the date notice of revocation or rescission is given to the Company.

1.7. Buy-In. In addition to any other rights available to the Holder, if the Company fails to deliver to a Holder the Warrant Shares as required pursuant to this Warrant, and the Holder or a broker on the Holder's behalf, purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by such Holder of the Warrant Shares which the Holder was entitled to receive from the Company (a "**Buy-In**"), then the Company shall pay in cash to the Holder (in addition to any remedies available to or elected by the Holder) the amount by which (A) the Holder's total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased exceeds (B) the aggregate Purchase Price of the Warrant Shares required to have been delivered together with interest thereon at a rate of 15% per annum, accruing until such amount and any accrued interest thereon is paid in full (which amount shall be paid as liquidated damages and not as a penalty). For purposes of illustration, if a Holder purchases shares of Common Stock having a total purchase price of \$11,000 to cover a Buy-In with respect to \$10,000 of Purchase Price of Warrant Shares to have been received upon exercise of this Warrant, the Company shall be required to pay the Holder \$1,000, plus interest. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In, which shall include evidence of the price at which such Holder had to purchase the Common Stock in an open-market transaction or otherwise.

1.8. Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company. The Company shall pay all transfer agent fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares.

2. Payment of Purchase Price. Payment upon exercise may be made at the written option of the Holder either in (i) cash, wire transfer or by certified or official bank check payable to the order of the Company equal to the applicable aggregate Purchase Price accompanied by delivery of a properly endorsed Subscription Form, for the number of Common Stock specified in such form (as such exercise number shall be adjusted to reflect any adjustment in the total number of shares of Common Stock issuable to the Holder per the terms of this Warrant) and the Holder shall thereupon be entitled to receive the number of duly authorized, validly issued, fully-paid and non-assessable shares of Common Stock (or Other Securities) determined as provided herein.

### 3. Adjustment for Reorganization, Consolidation, Merger, etc.

3.1. Fundamental Transaction. If, at any time while this Warrant is outstanding, (A) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another entity, (B) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance, or other disposition of all or substantially all of its assets in one or a series of related transactions, (C) any direct or indirect tender offer or exchange offer (whether by the Company or another entity) is completed pursuant to which holders of Common Stock are permitted to tender or exchange their shares for other securities,

cash or property, (D) the Company consummates a stock purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, or spin-off) with one or more persons or entities whereby such other persons or entities acquire more than the 50% of the outstanding shares of Common Stock (not including any shares of Common Stock held by such other persons or entities making or party to, or associated or affiliated with the other persons or entities making or party to, such stock purchase agreement or other business combination), (E) any “person” or “group” (as these terms are used for purposes of Sections 13(d) and 14(d) of the 1934 Act) is or shall become the “beneficial owner” (as defined in Rule 13d-3 under the 1934 Act), directly or indirectly, of 50% of the aggregate Common Stock of the Company, or (F) the Company effects any reclassification of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property (in any such case, a “**Fundamental Transaction**”), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder, (a) upon exercise of this Warrant, the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the “**Alternate Consideration**”) receivable upon or as a result of such Fundamental Transaction by a Holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such event. For purposes of any such exercise, the determination of the Purchase Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Purchase Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. To the extent necessary to effectuate the foregoing provisions, any successor to the Company or surviving entity in such Fundamental Transaction shall issue to the Holder a new warrant consistent with the foregoing provisions and evidencing the Holder’s right to exercise such warrant into Alternate Consideration. The terms of any agreement pursuant to which a Fundamental Transaction is effected include terms requiring any such successor or surviving entity to comply with the provisions of this [Section 3.1](#) and insuring that this Warrant (or any such replacement security) will be similarly adjusted upon any subsequent transaction analogous to a Fundamental Transaction.

3.2. Continuation of Terms. Upon any reorganization, consolidation, merger or transfer (and any dissolution following any transfer) referred to in this [Section 3](#) hereof, this Warrant shall continue in full force and effect and the terms hereof shall be applicable to the Other Securities and property receivable on the exercise of this Warrant after the consummation of such reorganization, consolidation or merger or the effective date of dissolution following any such transfer, as the case may be, and shall be binding upon the issuer of any Other Securities, including, in the case of any such transfer, the person acquiring all or substantially all of the properties or assets of the Company, whether or not such person shall have expressly assumed the terms of this Warrant as provided in Section 5 hereof.

#### 4. Extraordinary Events Regarding Common Stock

4.1 Stock Dividends and Splits. In the event that the Company shall (a) issue additional shares of Common Stock as a dividend or other distribution on outstanding Common Stock, (b) subdivide its outstanding shares of Common Stock, or (c) combine its outstanding shares of the Common Stock into a smaller number of shares of Common Stock, then, in each such event, the Purchase Price shall, simultaneously with the happening of such event, be adjusted by multiplying the then Purchase Price by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such event and the denominator of which shall be the number of shares of Common Stock outstanding immediately after such event, and the product so obtained shall thereafter be the Purchase Price then in effect. The Purchase Price, as so adjusted, shall be readjusted in the same manner upon the happening of any successive event or events described in this [Section 4](#). The number of shares of Common Stock that the Holder of this Warrant shall thereafter, on the exercise hereof, be entitled to receive shall be adjusted to a number determined by multiplying the number of shares of Common Stock that would otherwise (but for the provisions of this [Section 4](#)) be issuable on such exercise by a fraction of which (a) the numerator is the Purchase Price that would otherwise (but for the provisions of this [Section 4](#)) be in effect, and (b) the denominator is the Purchase Price in effect on the date of such exercise.

4.2 Subsequent Rights Offerings. If at any time the Company grants, issues or sells any rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of shares of Common Stock (the "Purchase Rights"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights.

4.3 Pro Rata Distributions. During such time as this Warrant is outstanding, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of shares of Common Stock, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a "Distribution"), at any time after the issuance of this Warrant, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the participation in such Distribution.

4.4 Adjustment to Exercise Price of 2017 Warrants. In the event the Exercise Price (as defined in the 2017 Warrants) pursuant to the Warrants issued pursuant to the Securities Purchase Agreement entered into by the Company on or about November 24, 2017 (the "2017 Warrants"), are reduced to less than the Purchase Price, the Purchase Price shall be reduced to equal the adjusted Exercise Price. For avoidance of doubt, this Section 4.4 shall be applied without duplication of any other adjustment of the Purchase Price hereunder. In the event that any event results in an adjustment to the Purchase Price pursuant to this Section 4.4 and any other provision of this Warrant, the Purchase Price shall be reduced to the lower of said adjustment provisions.

5. Reservation of Stock, etc. Issuable on Exercise of Warrant; Financial Statements. The Company will at all times reserve and keep available, solely for issuance and delivery on the exercise of the Warrants, all shares of Common Stock (or Other Securities) from time to time issuable on the exercise of the Warrant. This Warrant entitles the Holder hereof, upon written request, to receive copies of all financial and other information distributed or required to be distributed to the holders of the Company's Common Stock.

6. Assignment; Exchange of Warrant. Subject to compliance with applicable securities laws, this Warrant, and the rights evidenced hereby, may be transferred by any registered holder hereof (a "Transferor"). On the surrender for exchange of this Warrant, with the Transferor's endorsement in the form of Exhibit B attached hereto (the "Transferor Endorsement Form") and together with an opinion of counsel reasonably satisfactory to the Company that the transfer of this Warrant will be in compliance with applicable securities laws, the Company will issue and deliver to or on the order of the Transferor thereof a new Warrant or Warrants of like tenor, in the name of the Transferor and/or the transferee(s) specified in such Transferor Endorsement Form (each a "Transferee"), calling in the aggregate on the face or faces thereof for the number of shares of Common Stock called for on the face or faces of the Warrant so surrendered by the Transferor.

7. Replacement of Warrant. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of any such loss, theft or destruction of this Warrant, on delivery of an indemnity agreement in customary form or, in the case of any such mutilation, on surrender and cancellation of this Warrant, the Company at its expense will execute and deliver, in lieu thereof, a new Warrant of like tenor.

8. Registration Rights The Holder shall be entitled to the following "piggy-back" registration rights covering the Warrant Shares only during such period(s) as there is no effective resale registration statement covering resale of the Holder's Warrant Shares. The terms of this Section 8 shall survive the exercise of this Warrant for so long as Holder holds any Warrant Shares.

The Holder shall have the right, for a period of six (6) years after the date hereof, to include the Warrant Shares as part of any registration of securities filed by the Company (other than in connection with a transaction contemplated by Rule 145 promulgated under the Act or pursuant to Form S-8 or "shelf" S-3 or any equivalent form to the extent such form does not permit the registration of the Warrant Shares) provided, however, that if, solely in

connection with any primary underwritten public offering for the account of the Company, the managing underwriter(s) thereof shall, in its reasonable discretion, impose a limitation on the number of shares of Common Stock which may be included in a registration statement because, in such underwriter(s)' judgment, marketing or other factors dictate such limitation is necessary to facilitate public distribution, then the Company shall be obligated to include in such registration statement only such limited portion of the Warrant Shares with respect to which the Holder requested inclusion hereunder as the underwriter shall reasonably permit. The Company shall not exclude any Warrant Shares unless the Company has first excluded all outstanding securities the holders of which are not entitled to inclusion of such securities in such registration statement and a pro rata portion of the securities of holders who are entitled to pro rata inclusion with the Warrant Shares.

The Company agrees to pay all expenses incurred in connection with the registration pursuant to this Section 8. The selling holder of Warrant Shares shall bear and pay the underwriting commissions and discounts and broker commissions applicable to the Warrant Shares offered for its account.

The Company agrees to indemnify, to the full extent permitted by law, each holder of Warrant Shares, its officers, directors and agents and each Person who controls such holder (within the meaning of the Securities Act of 1933, as amended) against all losses, claims, damages, liabilities and expenses caused by any untrue or alleged untrue statement of material fact contained in the registration statement, prospectus or preliminary prospectus or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in case of a prospectus or preliminary prospectus, in the light of the circumstances under which they were made) not misleading, but excluding information about the holder of the Warrant Shares submitted by such holder for inclusion in any such document or filing.

The rights granted by this Section 8 may be transferred to any holder of Warrant Shares.

9. Transfer on the Company's Books. Until this Warrant is transferred on the books of the Company, the Company may treat the registered holder hereof as the absolute owner hereof for all purposes, notwithstanding any notice to the contrary.

10. Notices. All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable air courier service with charges prepaid, or (iv) transmitted by hand delivery, telegram, or facsimile addressed as set forth below or to such other address as such party shall have specified most recently by written notice. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (a) upon hand delivery or delivery by facsimile, with accurate confirmation generated by the transmitting facsimile machine, at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received), or (b) on the second business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communications shall be: (i) if to the Company, to Duos Technologies Group, Inc., 6622 Southpoint Drive South, Suite 310, Jacksonville, Florida, Attn: Gianni Arcaini, with a copy by fax only to (which shall not constitute notice) Lucosky Brookman LLP, 101 Wood Avenue South, 5th Floor, Iselin, NJ 08830, Attn: Joseph M. Lucosky, Esq., facsimile: (732) 395-4401, and (ii) if to the Holder, to the address and facsimile number listed on the first paragraph of this Warrant.

11. Law Governing This Warrant. This Warrant shall be governed by and construed in accordance with the laws of the State of Florida without regard to its principles of conflicts of laws or of any other State. Any action brought by either party hereto against the other concerning the transactions contemplated by this Warrant shall be brought only in the state courts of Florida or in the federal courts located in the state of Florida. The parties to this Warrant hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon forum non conveniens. **The Company and the Holder waive trial by jury.** The prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs. In the event that any provision of this Warrant or any other agreement delivered in connection herewith is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform to, such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of any agreement. Each party hereto hereby irrevocably waives personal service of process and consents to process being served in any suit, action or proceeding

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in connection with this Warrant or any other transaction document 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 Warrant 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 law.

12. Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.

13. Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

14. Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

15. Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Purchase Price, the Company, at its expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to the Holder a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, upon the written request at any time of the Holder, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, (ii) the Purchase Price at the time in effect for this Warrant and (iii) the number of shares of Common Stock and the amount, if any, or other property which at the time would be received upon the exercise of this Warrant.

16. No Impairment. The Company shall not by any action including, without limitation, amending its certificate of incorporation or through any reorganization, 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 of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder against impairment. Without limiting the generality of the foregoing, the Company will (a) not increase the par value of any shares of Common Stock receivable upon the exercise of this Warrant above the amount payable therefor upon such exercise immediately prior to such increase in par value, (b) take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable shares of Common Stock upon the exercise of this Warrant, and (c) use its best efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof as may be necessary to enable the Company to perform its obligations under this Warrant. Upon the request of Holder, the Company will at any time during the period this Warrant is outstanding acknowledge in writing, in form satisfactory to Holder, the continuing validity of this Warrant and the obligations of the Company hereunder.

*[-Signature Page Follows-]*

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IN WITNESS WHEREOF, the Company has executed this Warrant as of the date first written above.

**DUOS TECHNOLOGIES GROUP, INC.**

By: \_\_\_\_\_  
Name: Gianni Arcaini  
Title: Chief Executive Officer





FORM OF EXERCISE  
(to be signed only on exercise of Warrant)

TO: DUOS TECHNOLOGIES GROUP, INC.

The undersigned, pursuant to the provisions set forth in the attached Warrant (No. \_\_\_\_\_), hereby irrevocably elects to purchase (check applicable box):

\_\_\_\_\_ shares of the Common Stock covered by such Warrant.

The undersigned herewith makes payment of the full purchase price for such shares at the price per share provided for in such Warrant, which is \$ \_\_\_\_\_. Such payment takes the form of (check applicable box or boxes):

\_\_\_\_\_ \$ \_\_\_\_\_ in lawful money of the United States.

The undersigned requests that the certificates for such shares be issued in the name of, and delivered to \_\_\_\_\_, whose address is \_\_\_\_\_.

The undersigned represents and warrants that all offers and sales by the undersigned of the securities issuable upon exercise of the within Warrant shall be made pursuant to registration of the Common Stock under the Securities Act of 1933, as amended (the "Securities Act"), or pursuant to an exemption from registration under the Securities Act.



Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature must conform to name of holder as  
specified on the face of the Warrant)

\_\_\_\_\_  
(Address)

**Exhibit B**

**FORM OF TRANSFEROR ENDORSEMENT**  
(To be signed only on transfer of Warrant)

For value received, the undersigned hereby sells, assigns, and transfers unto the person(s) named below under the heading "Transferees" the right represented by the within Warrant to purchase the percentage and number of shares of Common Stock of DUOS TECHNOLOGIES GROUP, INC. to which the within Warrant relates specified under the headings "Percentage Transferred" and "Number Transferred," respectively, opposite the name(s) of such person(s) and appoints each such person Attorney to transfer its respective right on the books of DUOS TECHNOLOGIES GROUP, INC., with full power of substitution in the premises.

| Transferees | Percentage Transferred | Number Transferred |
|-------------|------------------------|--------------------|
|             |                        |                    |
|             |                        |                    |

Dated: \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_  
(Signature must conform to name of holder as specified on the face of the warrant)

Signed in the presence of:

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(address)

ACCEPTED AND AGREED:  
[TRANSFEREE]

\_\_\_\_\_  
(address)

\_\_\_\_\_  
(Name)