

**SUMMARY OF TERMS  
FOR  
A PURCHASE OF PRIMARY ISSUANCE OF CLASS B MEMBERSHIP INTERESTS  
IN  
LQD WIFI, LLC**

**1. INTRODUCTION**

- 1.1 This document (this “**Summary of Terms**”) sets out the principal terms and conditions on which potential investors will be offered the opportunity to acquire newly issued Class B Membership Interests of LQD WiFi, LLC (“**LQD**” or the “**Company**”), a Delaware limited liability company (the “**Interests**”), together with any subsidiaries, joint ventures, or associate companies of LQD, where it owns interests, on a pro rata basis from the Company (the “**Proposed Transaction**”).
- 1.2 Any investor purchasing Interests (each, an “Investor”) will become a party to the already existing operating agreement of LQD (the “**OA**”).
- 1.3 This Summary of Terms is not exhaustive and is not, and is not intended to be, legally binding. No legally binding obligations will be created until definitive agreements are executed and delivered by all parties. This Summary of Terms is not a commitment to invest and is conditioned on the completion of due diligence, legal review and documentation that is satisfactory to the Investor, in addition to other closing conditions outlined below.

## 2. PRINCIPAL TERMS

<b>SIZE OF THE OFFERING</b>	The Company will issue, in the aggregate, not more than \$3 million in Class B Membership Interests.
<b>INITIAL CLOSING</b>	The initial closing, representing the sale of \$1 million of Class B Membership Interests (the “ <b>Initial Class B Investment</b> ”) occurred on December 24, 2014 (the “ <b>Initial Closing</b> ”).
<b>ADDITIONAL CLOSING</b>	One or more Additional closings (not to exceed, in the aggregate, an additional \$2 million of Class B Membership Interests) may occur on or before June 24, 2015 (the “ <b>Final Closing Date</b> ”).
<b>VALUATION</b>	<p>The Company was valued immediately prior to the Initial Closing at an “<b>Enterprise Value</b>” of:</p> <p style="text-align: center;"><b>USD 9.0 million</b> (Nine-million US dollars).</p> <p>The Company was valued immediately after the Initial Closing at an Enterprise Value of:</p> <p style="text-align: center;"><b>USD 10.0 million</b> (Ten-million US dollars).</p>
<b>INITIAL CLASS B INVESTOR PROTECTION</b>	If the Company fails to sell an additional \$2 million of Interests prior to the Final Closing Date, the investor who made the Initial Class B Investment shall have his Percentage Interest (as defined in the OA) increased as described in the OA.
<b>PROPOSED TRANSACTION</b>	Sale of up to \$2 million in Interests based on the Enterprise Value immediately after the Initial Closing and on the other terms and conditions described in this Summary of Terms and the OA.

<p><b>RIGHTS OF THE INTERESTS HOLDERS:</b></p>	<p>The Interests shall have identical rights in all respects to the Company’s Class A Membership Interests (as described in the OA), except:</p>
<p><i>Regular Distributions</i></p>	<p>Distributions of Operating Proceeds will be made when and as determined by the Manager and approved by the Members as described below, to the all of the Members, including those holding Profits Interests, pro rata according to their Percentage Interests.</p>
<p><i>Liquidation Preference</i></p>	<p>In the event of any liquidation, dissolution, winding up of the Company or the disposition of all or substantially all of the Company’s assets (a “<b>Liquidation</b>”), the proceeds shall be paid first, prior to any distributions to LQD’s Class A Membership Interests, to the holders of the Interests until they have received payments equal, in the aggregate, to the Consideration.</p> <p>If any portion of the consideration of a Liquidation is placed into escrow or is subject to any contingencies, then (a) the portion of such consideration that is not placed in escrow and not subject to any contingencies shall be allocated among the holders Interests and Class A Memberhsip Interests in accordance with the liquidation provisions stated above, and (b) any such consideration that later becomes payable upon release from escrow or satisfaction of any such contingencies, shall in each case be allocated so as to give full effect to the liquidation provisions stated above.</p>
<p><i>Redemption Rights</i></p>	<p>Unless prohibited by law governing distributions to members, each Unit of Interests shall be redeemable at the option of its holder commencing any time after the 4 year anniversary of the Closing at a price equal to the higher of (i) the Original Purchase Price, or (ii) fair market value (as determined by an independent investment banker, jointly chosen by the Company and at least 50% the holders of the Interests) without any discount for minority interest or illiquidity. Redemption shall be made by means of a promissory note bearing interest at the then minimum Applicable Federal Rate calling for three equal annual payments.</p>

<b><i>Right To Participate In Future Rounds</i></b>	Each Investor shall have a pro rata right, based on its holding of Interests, to participate in future issuances of equity (or quasi-equity) securities by the Company (excluding issuances to bona fide employees or directors of, or consultants to, the Company pursuant to any management incentive plan approved by the Company's Manager and additional sales of Interests).
<b>VOTING RIGHTS</b>	Generally, the Interests and the Company's existing Class A Membership Interests (the "Class A Interests") vote together as a single class of equity (Profits Interests have no voting rights), and decisions that must be approved by the Members (including certain amendments to the Certificate of Organization) require the approval of not less than 75% of the Percentage Interests.
<b>AMENDMENTS TO THE OA</b>	<p>Certain amendments to the OA require the approval of holders representing not less than 50% of the Interests and holders representing not less than 75% of the Class A Interests. These include:</p> <p>(i) Permitting any salaried officer of the Company to devote less than 100% of their principal time and attention to the management of the Company's business;</p> <p>(ii) Permitting the Company to make any loan or advance to, or own any stock or other securities of, any subsidiary or other corporation, partnership, or other entity unless the Company owns more than fifty percent (50%) of such other entity;</p> <p>(iii) Permitting the Company to make any loan or advance to any person, including any employee or director, except advances and similar expenditures in the ordinary course of business or under the terms of an employee equity or option plan approved in accordance with the terms of the OA;</p> <p>(iv) Permitting the Company to guarantee any indebtedness except for trade accounts of the Company or any subsidiary arising in the ordinary course of business;</p> <p>(v) Permitting the Company to use Company</p>

	<p>assets for the redemption, retirement, purchase or acquisition, directly or indirectly, of any of the Company's membership interests, options or convertible debt other than as contemplated elsewhere herein;</p> <p>(vi) Permitting the Company to enter into or be a party to any transaction with any manager, director, officer or employee of the Company or any "associate" (as defined in Rule 12b-2 promulgated under the Securities Exchange Act of 1933) of any such person except transactions made in the ordinary course of business and pursuant to reasonable requirements of the Company's business and upon fair and reasonable terms;</p> <p>(vii) Permitting the Company to increase the amount of Membership Interests available in the form of profits interests for issuance to employees;</p> <p>(viii) Permitting the Company to change the principal business of the Company, enter new lines of business, or exit the current line of business;</p> <p>(ix) Permitting the Company to purchase or redeem any Membership Interests in the Company before the Interests, other than membership interests in the Company repurchased from former employees or consultants in connection with the cessation of their employment/services, at the lower of fair market value or cost;</p> <p>(x) Authorizing the Company to pay any distribution, dividend or other return on any Membership Interests in the Company;</p> <p>(xi) increasing the total number of Membership Interests in the Company available for awards as profits interests; and</p> <p>(xii) Modifying these provisions.</p>
<b>CAPITALIZATION</b>	<p>The Company's current Membership ("<b>Current Members</b>") and capital structure is as set forth in the OA.</p> <p>The Company has established a pool consisting of 15% of the common equity in the Company solely for the purpose of grants of equity to employees and consultants to the Company under a plan</p>

	subject to the approval of the Board of Managers of the Company (the “LQD 2014 Long-Term Incentive Plan”) consisting solely of profits interests in the Company. A portion of these Profits Interests have already been awarded and issued, as described in the OA.
<b>INVESTOR RIGHTS</b>	
<i>Investor’s Tag Along Rights</i>	The Investors shall have Tag Along Rights as provided in the OA.
<i>Right of First Offer</i>	The OA requires all Members of the Company to give the holders of Membership Interests a right of first offer (on a pro rata basis and with a pro rata right of oversubscription on any membership interests unsubscribed by other holders) with respect to any proposed sale or transfer of their membership interests.
<i>Estate Planning Transfers</i>	The OA allows the Members of the Company to make certain transfers of Membership Interests for estate planning purposes without providing the other Members a right of first offer or obtaining the Manager’s consent.
<i>Other Transfers</i>	The OA generally requires Manager approval prior to any transfer of Membership Interests unless otherwise explicitly provided in the OA.

<b><i>Investor Information Rights</i></b>	<p>The Investor will be granted access to Company facilities and personnel during normal business hours and with reasonable advance notification. The Company will deliver to the Investor the information that is agreed to and provided per the OA of the Company, and the following information</p> <p>(i) <u>Annual Financial Statements</u>: within 150 days following the end of the fiscal year, an audit, together with a copy of the auditor's letter to management, from a nationally recognized accounting firm or another accounting firm that is reasonably acceptable to the holders of at least 50% of the Class B Interests (provided that financial statements need not be audited, but may be a compilation, for the Company's years ending before December 31, 2017);</p> <p>(ii) <u>Mid-Year Reports</u>: Within 30 days following the 30<sup>th</sup> of June of each year, an income statement, cash flow statement and balance sheet for the prior quarterly period (unaudited). Statements shall include year-to-date figures compared to budgets, with variances delineated. A brief written summary shall be prepared by the Manager and attached to the Mid-Year Report that summarizes performance highlights, lowlights, variances from budget, and an outlook for the ensuing period; and</p> <p>(iii) <u>Operating Budget</u>: before the end of each fiscal year, a comprehensive operating budget forecasting the Company's revenues, expenses, and cash position on a month-to-month basis for the upcoming fiscal year.</p>
<b><i>Non-Competition and Non-Solicitation Agreements</i></b>	Each employee and consultant of the Company shall have in effect a one year non-competition and non-solicitation agreement.
<b><i>Non-Disclosure and Developments Agreement</i></b>	Each current and former employee and consultant will enter into a non-disclosure and proprietary rights assignment agreement.

<b>CONFIDENTIALITY:</b>	The Company and Investor agree to work in good faith expeditiously towards a closing. The Company and Investor will not disclose the terms of this Summary of Terms to any person other than officers, members of the Manager of LQD and the Company's accountants and attorneys and other potential investors, without the written consent of the other party hereto.
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### 3. GOVERNING LAW AND JURISDICTION

- 3.1 This Terms Sheet and any non-contractual obligations arising out of or in connection with it, including any non-contractual obligations arising out of the negotiation of the Proposed Transaction shall be governed by New York law.
- 3.2 The New York courts shall have exclusive jurisdiction to settle any dispute arising out of or in connection with these Heads of Terms (including a dispute relating to any non-contractual obligations arising out of or in connection with these Heads of Terms or out of the negotiation of the Proposed Transaction) and the parties submit to the exclusive jurisdiction of New York courts.

### SIGNATORIES

[ ] of \_\_\_\_\_ 2015

**INVESTOR**

**LQD WiFi, LLC**

\_\_\_\_\_

By: \_\_\_\_\_

Randall Ramusack

Name: \_\_\_\_\_

Its: Manager