

TOWERSTREAM CORP

FORM 8-K (Current report filing)

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Address	88 SILVA LANE MIDDLETOWN, RI, 02842
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**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 5, 2018

Towerstream Corporation

(Exact Name of Registrant as Specified in Charter)

Delaware (State or other jurisdiction of incorporation)	001-33449 (Commission File Number)	20-8259086 (IRS Employer Identification No.)
88 Silva Lane Middletown, RI (Address of principal executive offices)		02842 (Zip Code)

Registrant 's telephone number, including area code: (401) 848-5848

(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:

- 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 DFR 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 as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b2 of the Securities Exchange Act of 1934 (§240.12b2 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 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Chief Financial Officer

Effective January 8, 2018, the Board of Directors of Towerstream Corporation (the “ Company”) appointed John Macdonald, age 47, to serve as Chief Financial Officer of the Company.

Mr. Macdonald joined the Company as Corporate Controller in March 2017. Prior to joining the Company, Mr. Macdonald was the Assistant Corporate Controller at KVH Industries, a leading provider of mobile connectivity products and guidance and stabilization solutions from February 2015 to February 2017. Prior to that, he was Director of Accounting at APC by Schneider Electric, a manufacturer of critical power products and solutions provider for data centers and other applications, from May 2010 to February 2015. He began his career with Ernst & Young LLP serving as an assurance manager. A licensed Certified Public Accountant (CPA) in Massachusetts, he holds a Master of Business Administration from Bryant University and a BS in Business Administration from the University of Rhode Island.

There are no arrangements or understandings between Mr. Macdonald and any other persons, pursuant to which he was appointed as Chief Financial Officer, no family relationships among any of the Company ’s directors or executive officers and Mr. Macdonald and he has no direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

The Company and Mr. Macdonald entered into an employment agreement on January 8, 2018 (the “Employment Agreement”) pursuant to which Mr. Macdonald will receive an annual base salary of \$175,000 and be eligible for an annual bonus of up to 50% of his base salary. In addition, Mr. Macdonald is eligible for stock compensation in the future, at the Board of Director’s discretion. In the event of resignation for Good Reason (as defined in the Employment Agreement) or termination other than for Cause (as defined in the Employment Agreement) within 180 days of a Change of Control, Mr. Macdonald will be entitled to a severance payment equal to (i) the greater of his continued base salary through the balance of the term, as renewed, or 6 months of his then base Salary, (ii) continued participation in Company welfare benefit plans (including health benefits) on the same terms as immediately prior to termination and to be paid in full by the Company for not less than 12 months of continuation of benefits and (iii) immediate vesting of all stock options and equity awards; provided, that he executes an agreement releasing Company and its affiliates from any liability. The agreement has an initial term of two years and may be extended for additional one year terms.

On January 5, 2018, Laura Thomas resigned from her position as Chief Financial Officer of the Company effective immediately and Ms. Thomas and the Company entered into a separation agreement (the “Separation Agreement”). Pursuant to the Separation Agreement, Ms. Thomas will receive a severance payment of (i) current base salary of \$240,000 through January 5, 2018, (ii) three months of current base salary of \$240,000, payable in six bi-weekly payments of \$10,000, less applicable statutory deductions and tax withholdings, (iii) \$44,310 in earned annual bonus for the fiscal year ended December 31, 2017, and (iv) \$5,076.92 in accrued but unused vacation time. In addition, all of Ms. Thomas’ outstanding options shall vest immediately.

Unless revoked, the Separation Agreement becomes effective eight days following execution. Ms. Thomas’ decision to resign did not result from any disagreement with the Company, the Company’s management or the Board of Directors.

The foregoing description of the terms of the Employment Agreement and Separation Agreement do not purport to be complete and are subject to, and qualified in their entirety by reference to, the Employment Agreement and Separation Agreement, which are filed herewith as Exhibit 10.1 and Exhibit 10.2, respectively, and are incorporated herein by reference.

Board of Directors

On January 9, 2018, Paul Koehler and Donald MacNeil resigned from their positions as members of the Board of Directors and all committees thereof. Mr. Koehler's and Mr. MacNeil's resignations were not due to any disagreement related to the Company's operations, policies or practices, financial status or financial statements. Mr. MacNeil was appointed to the Company's Board of Advisors upon his resignation from the Board of Directors. He will receive a cash fee of \$2,000 per month for services provided as an advisor.

Also on January 9, 2018, to fill the vacancy created by these resignations, the Board of Directors of the Company appointed Ernest Ortega to serve as a member of the Company's Board of Directors. Mr. Ortega currently serves as the Chief Executive Officer of the Company. There is no family relationship between Mr. Ortega and any of the Company's other officers or directors. There is no new material contract or arrangement pursuant to which Mr. Ortega shall serve aside from the employment agreement previously entered into with respect to his role as Chief Executive Officer of the Company, the terms of which can be found in Exhibit 10.1 to the Company's Form 8-K filed with the Securities and Exchange Commission on January 24, 2017.

Item 9.01 Financial Statements and Exhibits

<u>Exhibit No.</u>	<u>Exhibit Description</u>
10.1	Employment Agreement with John Macdonald dated January 8, 2018
10.2	Separation Agreement with Laura Thomas dated January 5, 2018

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.

TOWERSTREAM CORPORATION

Dated: January 11, 2018

By: /s/ Ernest Ortega
Ernest Ortega
Chief Executive Officer

EXECUTIVE EMPLOYMENT AGREEMENT

This EXECUTIVE EMPLOYMENT AGREEMENT (“Agreement”) is made and entered into as of the 8th day of January, 2018 by and between Towerstream Corporation, a Delaware corporation (the “Company”) and John Macdonald, an individual (“Executive”).

WITNESSETH:

WHEREAS, the Executive desires to be employed by the Company as its Chief Financial Officer and the Company wishes to employ the Executive in such capacity, commencing on and as of January 8th, 2018 (the “Effective Date”).

NOW, THEREFORE, in consideration of the foregoing and their respective covenants and agreements contained in this document, the Company and the Executive hereby agree as follows:

1. Employment and Duties. The Company agrees to employ and the Executive agrees to serve as the Company’s Chief Financial Officer. The duties and responsibilities of the Executive shall include the duties and responsibilities as the Company’s Board of Directors (“Board”) or Chief Executive Officer may from time to time assign to the Executive and reasonably commensurate with those duties and responsibilities normally associated with and appropriate for someone in the position of Chief Financial Officer.

The Executive shall devote his full time efforts and services to the business and affairs of the Company and its subsidiaries. Nothing in this Section 1 shall prohibit the Executive from: (A) serving as a director or member of any other board, committee thereof of any other entity or organization, (B) delivering lectures, fulfilling speaking engagements, and any writing or publication relating to his area of expertise, (C) serving as a director or trustee of any governmental, charitable or educational organization or (D) engaging in additional activities in connection with personal investments and community affairs, including, without limitation, professional or charitable or similar organization committees, boards, memberships or similar associations or affiliations, provided, however, such activities are not in competition with the business and affairs of the Company or would tend to cast executive of Company in a negative light in the reasonable judgment of the Board.

2. Term. The term of this Agreement shall commence on the Effective Date and shall continue for a period of two (2) years following the Effective Date and shall be automatically renewed for successive one (1) year periods thereafter unless either party provides the other party with written notice of his or its intention not to renew this Agreement at least one (1) month prior to the expiration of the initial term or any renewal term of this Agreement. “Employment Period” shall mean the initial two (2) year term plus renewals, if any.

3. Place of Employment. The Executive’s services shall be performed at the Company’s principal executive offices, currently located at 88 Silva Lane, Middletown, Rhode Island, provided that the Executive may be required to travel on Company business during the Employment Period.

4. Base Salary and Board Fees. The Company agrees to pay the Executive a base salary (“Base Salary”) of \$175,000.00 per annum for the position of Chief Financial Officer. Annual adjustments after the first year of the Employment Period shall be determined by the Board. The Base Salary shall be paid in periodic installments in accordance with the Company’s regular payroll practices.

5. Incentive Compensation and Bonuses.

(a) Annual Bonus: For each fiscal year during the term of employment, the Executive shall be eligible to receive a cash bonus (the “Annual Bonus”) in the amount of up to 50% of the Base Salary for such year, as may be determined from time to time by the Board in its discretion. The Annual Bonus shall be paid by the Company to the Executive promptly after determination that the relevant targets, if any, have been met, it being understood that the attainment of any financial targets associated with any bonus shall not be determined until following the completion of the Company’s annual audit and public announcement of such results and shall be paid promptly following the Company’s announcement of earnings. For the period beginning on the Effective Date and ending on the last day of the applicable fiscal year, the Executive shall be eligible to receive a prorated Annual Bonus (calculated as the Annual Bonus that would have been paid for the entire fiscal year multiplied by a fraction the numerator of which is equal to the number of days the Executive worked in the applicable fiscal year and the denominator of which is equal to the total number of days in such year). In the event that the Compensation Committee is unable to act or if there shall be no such Compensation Committee, then all references herein to the Compensation Committee (except in the proviso to this sentence) shall be deemed to be references to the Board. Upon his termination from employment, the Executive shall be entitled to receive a pro-rata portion of the Annual Bonus calculated based upon his final day of employment, regardless of whether he is employed by the Company through the conclusion of the fiscal quarter or year, as the case may be, on which the Annual Bonus is based.

(b) Equity Awards and Incentive Compensation : During the term of employment, the Executive shall be eligible to participate in any equity-based incentive compensation plan or program adopted by the Company (such awards under such plan or program, the “Share Awards”) as the Compensation Committee or Board may from time to time determine. Share Awards shall be subject to applicable plan terms and conditions and any additional terms and conditions as determined by the Compensation Committee or the Board. The attainment of any financial targets associated with any Share Awards shall not be determined until following the completion of the Company’s annual audit and public announcement of such results and shall be paid promptly following the Company’s announcement of earnings. All Share Awards not earned and vested on the date of termination shall be forfeited.

6. Severance Compensation :

(a) Upon termination of employment for any reason, the Executive shall be entitled to: (A) all Base Salary earned through the date of termination to be paid according to Section 4, (B) any Annual Bonuses earned through the date of termination to be paid according to Section 5(a), (C) any and all reasonable expenses paid or incurred by the Executive in connection with and related to the performance of his duties and responsibilities for the Company during the period ending on the termination date to be paid according to Section 8, (D) any accrued but unused vacation time through the termination date in accordance with Company policy, and (E) all Share Awards earned and vested prior to the date of termination (collectively, the “Separation Payment”); provided, that the Executive executes an agreement releasing Company and its affiliates from any liability associated with this Agreement and such release is irrevocable at the time the Separation Payment is first payable under this Section 6(a) and the Executive complies with his other obligations under Sections 12 and 13 of this Agreement.

(b) In the event of a termination by the Company other than for Cause or by the Executive for Good Reason, each prior to one hundred eighty days (180) days following the occurrence of a Change of Control (as defined below), and subject to the additional provisions of Section 11(d)(3), then in addition to the severance compensation set forth in Section 6(a), Executive shall also be entitled to the following enhanced separation benefits (“Enhanced Separation Benefits”): (i) the greater of Executive’s continued Base Salary through the balance of the Employment Period, as renewed, or six (6) months of Executive’s then Base Salary; (ii) continued participation in Company welfare benefit plans (including health benefits) on the same terms as immediately prior to termination and to be paid in full by the Company for the period of time set forth in this Section 6(b) (not to be less than twelve (12) months of continuation of benefits) and (iii) immediate vesting of all stock options/equity awards; provided, that the Executive executes an agreement releasing Company and its affiliates from any liability associated with this Agreement and such release is irrevocable at the time any of the Enhanced Separation Benefits are first payable under this Section 6(b) and the Executive complies with his other obligations under Sections 12 and 13 of this Agreement.

(c) Upon termination of Executive’s continued benefits (either pursuant to Section 6(a) or 6(b) as the case may be), the Executive may continue coverage with respect to the Company’s group health plans as permitted by the Consolidated Omnibus Budget Reconciliation Act of 1985 (“COBRA”) for herself and each of his “Qualified Beneficiaries” as defined by COBRA (“COBRA Coverage”). The Company shall reimburse the amount of any COBRA premium paid for COBRA Coverage timely elected by and for the Executive and any Qualified Beneficiary of the Executive, and not otherwise reimbursed, during the period that ends on the earliest of (x) the date the Executive or the Qualified Beneficiary, as the case may be, ceases to be eligible for COBRA Coverage, (y) the last day of the consecutive eighteen (18) month period following the date of the Executive’s termination of employment and (z) the date the Executive or the Qualified Beneficiary, as the case may be, is covered by another group health plan. To reimburse any COBRA premium payment under this paragraph, the Company must receive documentation of the COBRA premium payment within ninety (90) days of its payment.

7. Clawback Rights. The Annual Bonus, and any and all stock based compensation (such as options and equity awards) (collectively, the “Clawback Benefits”) shall be subject to “Clawback Rights” as follows: during the period that the Executive is employed by the Company and upon the termination of the Executive’s employment and for a period of three (3) years thereafter, if there is a restatement of any financial results from which any Clawback Benefits to the Executive shall have been determined, the Executive agrees to repay any amounts which were determined by reference to any Company financial results which were later restated (as defined below), to the extent the Clawback Benefits amounts paid exceed the Clawback Benefits amounts that would have been paid, based on the restatement of the Company’s financial information. All Clawback Benefits amounts resulting from such restated financial results shall be retroactively adjusted by the Compensation Committee to take into account the restated results, and any excess portion of the Clawback Benefits resulting from such restated results shall be immediately surrendered to the Company and if not so surrendered within ninety (90) days of the revised calculation being provided to the Executive by the Compensation Committee following a publicly announced restatement, the Company shall have the right to take any and all action to effectuate such adjustment. The calculation of the revised Clawback Benefits amount shall be determined by the Compensation Committee in good faith and in accordance with applicable law, rules and regulations. All determinations by the Compensation Committee with respect to the Clawback Rights shall be final and binding on the Company and the Executive. The Clawback Rights shall terminate following a Change of Control, subject to applicable law, rules and regulations. For purposes of this Section 7, a restatement of financial results that requires a repayment of a portion of the Clawback Benefits amounts shall mean a restatement resulting from material non-compliance of the Company with any financial reporting requirement under the federal securities laws and shall not include a restatement of financial results resulting from subsequent changes in accounting pronouncements or requirements which were not in effect on the date the financial statements were originally prepared (“Restatements”). The parties acknowledge it is their intention that the foregoing Clawback Rights as relates to Restatements conform in all respects to the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (“Dodd-Frank Act”) and require recovery of all “incentive-based” compensation, pursuant to the provisions of the Dodd-Frank Act and any and all rules and regulations promulgated thereunder from time to time in effect. Accordingly, the terms and provisions of this Agreement shall be deemed automatically amended from time to time to assure compliance with the Dodd-Frank Act and such rules and regulations as hereafter may be adopted and in effect.

8. Expenses. The Executive shall be entitled to prompt reimbursement by the Company for all reasonable ordinary and necessary travel, entertainment, and other expenses incurred by the Executive while employed (in accordance with the policies and procedures established by the Company for its senior executive officers) in the performance of his duties and responsibilities under this Agreement; provided, that the Executive shall properly account for such expenses in accordance with Company policies and procedures.

9. Other Benefits. During the term of this Agreement, the Executive shall be eligible to participate in incentive, stock purchase, savings, retirement (401(k)), and welfare benefit plans, including, without limitation, health, medical, dental, vision, life (including accidental death and dismemberment) and disability insurance plans (collectively, “Benefit Plans”), in substantially the same manner and at substantially the same levels as the Company makes such opportunities available to the Company’s managerial or salaried executive employees and/or its senior executives.

The Company shall pay one hundred percent (100%) of the cost for any group medical, vision and/or dental coverage elected by and for the Executive.

10. Vacation. During the term of this Agreement, the Executive shall be entitled to accrue, on a pro rata basis, thirty (30) paid vacation days per year. Vacation shall be taken at such times as are mutually convenient to the Executive and the Company and no more than fifteen (15) consecutive days shall be taken at any one time without Company approval in advance.

11. Termination of Employment:

(a) Death. If the Executive dies during the Employment Period, this Agreement and the Executive’s employment with the Company shall automatically terminate and the Company’s obligations to the Executive’s estate and to the Executive’s Qualified Beneficiaries shall be those set forth in Section 6(a) regarding severance compensation.

(b) Disability. In the event that, during the term of this Agreement the Executive shall be prevented from performing his essential functions hereunder to the full extent required by the Company by reason of Disability (as defined below), this Agreement and the Executive's employment with the Company shall automatically terminate. The Company's obligation to the Executive under such circumstances shall be those set forth in Section 6(a) and 6(c) regarding severance compensation. For purposes of this Agreement, "Disability" shall mean a physical or mental disability that prevents the performance by the Executive, with or without reasonable accommodation, of his essential functions hereunder for an aggregate of ninety (90) days or longer during any twelve (12) consecutive months. The determination of the Executive's Disability shall be made by an independent physician who is reasonably acceptable to the Company and the Executive (or his representative), be final and binding on the parties hereto and be made taking into account such competent medical evidence as shall be presented to such independent physician by the Executive and/or the Company or by any physician or group of physicians or other competent medical experts employed by the Executive and/or the Company to advise such independent physician.

(c) Cause.

(1) At any time during the Employment Period, the Company may terminate this Agreement and the Executive's employment hereunder for Cause. For purposes of this Agreement, "Cause" shall mean: (a) the willful and continued failure of the Executive to perform substantially his duties and responsibilities for the Company (other than any such failure resulting from the Executive's death or Disability) after a written demand by the Board for substantial performance is delivered to the Executive by the Company, which specifically identifies the manner in which the Board believes that the Executive has not substantially performed his duties and responsibilities, which willful and continued failure is not cured by the Executive within thirty (30) days following his receipt of such written demand; (b) the conviction of, or plea of guilty or *nolo contendere* to, a felony, or (c) fraud, dishonesty or gross misconduct which is materially and demonstratively injurious to the Company. Termination under clauses (b) or (c) of this Section 11(c)(1) shall not be subject to cure.

(2) For purposes of this Section 11(c), no act, or failure to act, on the part of the Executive shall be considered "willful" unless done, or omitted to be done, by his in bad faith and without reasonable belief that his action or omission was in, or not opposed to, the best interest of the Company. Between the time the Executive receives written demand regarding substantial performance, as set forth in subparagraph (1) above, and prior to an actual termination for Cause, the Executive will be entitled to appear (with counsel) before the full Board to present information regarding his views on the Cause event. Under no circumstances shall Executive be terminated under Section 11(c)(1)(a) before the expiration of the 30 day cure period. After such hearing, termination for Cause must be approved by a majority vote of the full Board (other than the Executive). For terminations pursuant to Sections 11(c)(1)(b) and (c), the Board may suspend the Executive with full pay and benefits until a final determination by the full Board has been made.

(3) Upon termination of this Agreement for Cause, the Company shall have no further obligations or liability to the Executive or his heirs, administrators or executors with respect to compensation and benefits thereafter, except for the obligation to pay the severance compensation set forth in Section 6(a) and 6(c). The Company shall deduct, from all payments made hereunder, all applicable taxes, including income tax, FICA and FUTA, and other appropriate deductions.

(d) For Good Reason or Without Cause.

(1) At any time during the term of this Agreement and subject to the conditions set forth in Section 11(d)(2) below, the Executive may terminate this Agreement and the Executive's employment with the Company for "Good Reason". For purposes of this Agreement, "Good Reason" shall mean the occurrence of any of the following events without Executive's consent: (A) the assignment to the Executive of duties that are significantly different from, and/or that result in a substantial diminution of, the duties that he assumed on the Effective Date (including reporting to anyone other than solely and directly to the Board and Chief Executive Officer); (B) the assignment to the Executive of a title that is different from and subordinate to the title Chief Financial Officer of the Company, provided, however, for the absence of doubt following a Change of Control, should the Executive be required to serve in a diminished capacity in a division or unit of another entity (including the acquiring entity), such event shall constitute Good Reason regardless of the title of the Executive in such acquiring company, division or unit; or (C) material breach by the Company of this Agreement.

(2) The Executive shall not be entitled to terminate this Agreement for Good Reason unless and until he shall have delivered written notice to the Company within ninety (90) days of the date upon which the facts giving rise to Good Reason occurred of his intention to terminate this Agreement and his employment with the Company for Good Reason, which notice specifies in reasonable detail the circumstances claimed to provide the basis for such termination for Good Reason, and the Company shall not have eliminated the circumstances constituting Good Reason within thirty (30) days of its receipt from the Executive of such written notice. In the event the Executive elects to terminate this Agreement for Good Reason in accordance with Section 11(d)(1), such election must be made within the twenty-four (24) months following the initial existence of one or more of the conditions constituting Good Reason as provided in Section 11(d)(1). Upon termination of this Agreement for Good Reason (absent a Change of Control as addressed in Section 11(d)(3)), the Company shall have no further obligations or liability to the Executive or his heirs, administrators or executors with respect to compensation and benefits thereafter, except for the obligation to pay the severance compensation set forth in Section 6(a) and 6(c). The Company shall deduct, from all payments made hereunder, all applicable taxes, including income tax, FICA and FUTA, and other appropriate deductions.

(3) In the event of a termination by the Company other than for Cause or the Executive's termination for Good Reason, each prior to one hundred eighty days (180) days following the occurrence of a Change of Control, the Company shall pay or provide to the Executive (or, following his death, to the Executive's heirs, administrators or executors) the Enhanced Separation Benefits set forth in Sections 6(b) and 6(c). Subject to the terms hereof, one-half (1/2) of the compensation of the Enhanced Separation Benefits payment shall be paid within thirty (30) days of the Executive's termination of employment ("Initial Payment"), and the balance of the compensation of the Enhanced Separation Benefits shall be paid in substantially equal installments on the Company's regular payroll dates beginning with the first payroll date coincident with or immediately following the Initial Payment and ending on the payroll date coincident with or immediately following the twelve (12) month anniversary of the Initial Payment. The Company shall deduct, from all payments made hereunder, all applicable taxes, including income tax, FICA and FUTA, and other appropriate deductions. In the event the Executive elects to terminate this Agreement for a Good Reason following a Change of Control, such election must be made within one hundred eighty (180) days of the occurrence of the Change of Control to obtain the Enhanced Separation Benefits.

(4) The Executive shall not be required to mitigate the amount of any payment provided for in this Section 11(d) by seeking other employment or otherwise, nor shall the amount of any payment provided for in this Section 11(d) be reduced by any compensation earned by the Executive as the result of employment by another employer or business or by profits earned by the Executive from any other source at any time before and after the termination date. The Company's obligation to make any payment pursuant to, and otherwise to perform its obligations under, this Agreement shall not be affected by any offset, counterclaim or other right that the Company may have against the Executive for any reason.

(e) Without "Good Reason" by the Executive. At any time during the term of this Agreement, the Executive shall be entitled to terminate this Agreement and the Executive's employment with the Company without Good Reason by providing prior written notice of at least thirty (30) days to the Company. Upon termination by the Executive of this Agreement or the Executive's employment with the Company without Good Reason, the Company shall have no further obligations or liability to the Executive or his heirs, administrators or executors with respect to compensation and benefits thereafter, except for the obligations set forth in Section 6(a) and 6(c). The Company shall deduct, from all payments made hereunder, all applicable taxes, including income tax, FICA and FUTA, and other appropriate deductions.

(f) Change of Control. For purposes of this Agreement, “Change of Control” shall mean the occurrence of any one or more of the following: (i) the accumulation (if over time, in any consecutive twelve (12) month period), whether directly, indirectly, beneficially or of record, by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended) of more than fifty percent (50%) or more of the shares of the outstanding Common Stock of the Company, whether by merger, consolidation, sale or other transfer of shares of Common Stock (other than a merger or consolidation where the stockholders of the Company prior to the merger or consolidation are the holders of a majority of the voting securities of the entity that survives such merger or consolidation) for purposes of clarity the Company expects to sell a number of shares and/or convert outstanding senior debt to either preferred or common stock not limited to the period of this contract to raise funds and stabilize its balance sheet and any such sales shall not constitute a change of control for purposes of this section or Agreement, (ii) a sale of all or substantially all of the assets of the Company or (iii) during any period of twelve (12) consecutive months, the individuals who, at the beginning of such period, constitute the Board, and any new director whose election by the Board or nomination for election by the Company’s stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the twelve (12) month period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the Board; provided that the following shall not constitute a Change of Control for the purposes of this Agreement: any action by the Company’s senior lender, Melody Capital Partners, which would result in the senior lender, or its successor, assuming control of the Board, the company’s assets or business.

(g) Failure to Renew. This Agreement may be terminated upon either party’s failure to renew the Agreement in accordance with Section 2. Upon such termination, the Company shall have no further obligations or liability to the Executive or his heirs, administrators or executors with respect to compensation and benefits thereafter, except for the obligations set forth in Section 6(a) and 6(c).

(h) Any termination of the Executive’s employment by the Company or by the Executive (other than termination by reason of the Executive’s death) shall be communicated by written Notice of Termination to the other party of this Agreement. For purposes of this Agreement, a “Notice of Termination” shall mean a written notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive’s employment under the provision so indicated, provided, however, failure to provide timely notification shall not affect the employment status of the Executive.

12. Confidential Information.

(a) The Executive recognizes, acknowledges and agrees that he has had and will continue to have access to secret and confidential information regarding the Company, its subsidiaries and their respective businesses (“Confidential Information”), including but not limited to, its products, methods, formulas, software code, patents, sources of supply, customer dealings, data, know-how, trade secrets and business plans, provided such information is not in or does not hereafter become part of the public domain, or become known to others through no fault of the Executive. The Executive acknowledges that such information is of great value to the Company, is the sole property of the Company, and has been and will be acquired by him in confidence. In consideration of the obligations undertaken by the Company herein, the Executive will not, at any time, during or after his employment hereunder, reveal, divulge or make known to any person, any information acquired by the Executive during the course of his employment, which is treated as confidential by the Company, and not otherwise in the public domain. The provisions of this Section 12 shall survive the termination of the Executive’s employment hereunder.

(b) The Executive affirms that he does not possess and will not rely upon the protected trade secrets or confidential or proprietary information of any prior employer(s) in providing services to the Company or its subsidiaries.

(c) In the event that the Executive’s employment with the Company terminates for any reason, the Executive shall deliver forthwith to the Company any and all originals and copies, including those in electronic or digital formats, of Confidential Information; provided, however, the Executive shall be entitled to retain (i) papers and other materials of a personal nature, including, but not limited to, photographs, correspondence, personal diaries, calendars and rolodexes, personal files and phone books, (ii) information showing his compensation or relating to reimbursement of expenses, (iii) information that he reasonably believes may be needed for tax purposes and (iv) copies of plans, programs and agreements relating to his employment, or termination thereof, with the Company. The covenants and agreements in this Section 12 shall exclude information (A) which is in the public domain through no unauthorized act or omission of Executive or (B) which becomes available to Executive on a non-confidential basis from a source other than Company or its affiliates without breach of such source’s confidentiality or non-disclosure obligations to Company or any of its affiliates.

13. Non-Competition and Non-Solicitation

(a) The Executive agrees and acknowledges that the Confidential Information that the Executive has already received and will receive is valuable to the Company and that its protection and maintenance constitutes a legitimate business interest of the Company, to be protected by the non-competition restrictions set forth herein. The Executive agrees and acknowledges that the non-competition restrictions set forth herein are reasonable and necessary and do not impose undue hardship or burdens on the Executive. The Executive also acknowledges that the Company's Business (as defined in Section 13(b) (1) below) is conducted throughout the United States (the "Territory"), and that the Territory, scope of prohibited competition, and time duration set forth in the non-competition restrictions set forth below are reasonable and necessary to maintain the value of the Confidential Information of, and to protect the goodwill and other legitimate business interests of, the Company, its affiliates and/or its clients or customers. The provisions of this Section 13 shall survive the termination of the Executive's employment hereunder for the time periods specified below.

(b) The Executive hereby agrees and covenants that he shall not without the prior written consent of the Company, directly or indirectly, in any capacity whatsoever, including, without limitation, as an employee, employer, consultant, principal, partner, shareholder, officer, director or any other individual or representative capacity (other than (i) as a holder of less than two (2%) percent of the outstanding securities of a company whose shares are traded on any national securities exchange or (ii) as a limited partner, passive minority interest holder in a venture capital fund, private equity fund or similar investment entity which holds or may hold an equity or debt position in portfolio companies that are competitive with the Company; provided however, that the Executive shall be precluded from serving as an operating partner, general partner, manager or governing board designee with respect to such portfolio companies), or whether on the Executive's own behalf or on behalf of any other person or entity or otherwise howsoever, during the Term and thereafter to the extent described below, within the Territory:

(1) Engage, own, manage, operate, control, be employed by, consult for, participate in, or be connected in any manner with the ownership, management, operation or control of any business in competition with the Business of the Company, as defined in the next sentence. For purposes hereof, the Company's "Business" shall mean the provision of fixed wireless services to businesses.

(2) Recruit, solicit or hire, or attempt to recruit, solicit or hire, any employee, or independent contractor of the Company to leave the employment (or independent contractor relationship) thereof, whether or not any such employee or independent contractor is party to an employment agreement, for the purpose of competing with the Business of the Company;

(3) Attempt in any manner to solicit or accept from any customer of the Company, with whom Executive had significant contact during Executive's employment by the Company (whether under this Agreement or otherwise), business of the kind or competitive with the business done by the Company with such customer or to persuade or attempt to persuade any such customer to cease to do business or to reduce the amount of business which such customer has customarily done or might do with the Company, or if any such customer elects to move its business to a person other than the Company, provide any services of the kind or competitive with the business of the Company for such customer, or have any discussions regarding any such service with such customer, on behalf of such other person for the purpose of competing with the Business of the Company; or

(4) Interfere with any relationship, contractual or otherwise, between the Company and any other party, including, without limitation, any supplier, distributor, co-venturer or joint venturer of the Company, for the purpose of soliciting such other party to discontinue or reduce its business with the Company for the purpose of competing with the Business of the Company.

With respect to the activities described in Paragraphs (1), (2), (3) and (4) above, the restrictions of this Section 13(b) shall continue during the Term of this Agreement and for a period of one (1) year thereafter.

14. Section 409A.

The provisions of this Agreement are intended to comply with or are exempt from Section 409A of the Code (“Section 409A”) and the related Treasury Regulations and shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. The Company and the Executive agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions necessary, appropriate or desirable to avoid imposition of any additional tax under Section 409A or income recognition prior to actual payment to the Executive under this Agreement.

It is intended that any expense reimbursement made under this Agreement shall be exempt from Section 409A. Notwithstanding the foregoing, if any expense reimbursement made under this Agreement shall be determined to be “deferred compensation” subject to Section 409A (“Deferred Compensation”), then (a) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit, (b) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year (provided that this clause (b) shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Code solely because such expenses are subject to a limit related to the period the arrangement is in effect) and (c) such payments shall be made on or before the last day of the taxable year following the taxable year in which the expense was incurred.

With respect to the time of payments of any amount under this Agreement that is Deferred Compensation, references in the Agreement to “termination of employment” and substantially similar phrases, including a termination of employment due to the Executive’s Disability, shall mean “Separation from Service” from the Company within the meaning of Section 409A (determined after applying the presumptions set forth in Treasury Regulation Section 1.409A-1(h)(1)). Each installment payable hereunder shall constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b), including Treasury Regulation Section 1.409A-2(b)(2)(iii). Each payment that is made within the terms of the “short-term deferral” rule set forth in Treasury Regulation Section 1.409A-1(b)(4) is intended to meet the “short-term deferral” rule. Each other payment is intended to be a payment upon an involuntary termination from service and payable pursuant to Treasury Regulation Section 1.409A-1(b)(9)(iii), et. seq., to the maximum extent permitted by that regulation, with any amount that is not exempt from Code Section 409A being subject to Code Section 409A.

Notwithstanding anything to the contrary in this Agreement, if the Executive is a “specified employee” within the meaning of Section 409A at the time of the Executive’s termination, then only that portion of the severance and benefits payable to the Executive pursuant to this Agreement, if any, and any other severance payments or separation benefits which may be considered Deferred Compensation (together, the “Deferred Separation Benefits”), which (when considered together) do not exceed the Section 409A Limit (as defined herein) may be made within the first six (6) months following the Executive’s termination of employment in accordance with the payment schedule applicable to each payment or benefit. Any portion of the Deferred Separation Benefits in excess of the Section 409A Limit otherwise due to the Executive on or within the six (6) month period following the Executive’s termination will accrue during such six (6) month period and will become payable in one lump sum cash payment on the date six (6) months and one (1) day following the date of the Executive’s termination of employment. All subsequent Deferred Separation Benefits, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if the Executive dies following termination but prior to the six (6) month anniversary of the Executive’s termination date, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of the Executive’s death and all other Deferred Separation Benefits will be payable in accordance with the payment schedule applicable to each payment or benefit.

For purposes of this Agreement, “Section 409A Limit” shall mean a sum equal to (x) the amounts payable within the terms of the “short-term deferral” rule under Treasury Regulation Section 1.409A-1(b)(4) plus (y) the amount payable as “separation pay due to involuntary separation from service” under Treasury Regulation Section 1.409A-1(b)(9)(iii) equal to the lesser of two (2) times: (i) the Executive’s annualized compensation from the Company based upon his annual rate of pay during the Executive’s taxable year preceding his taxable year when his employment terminated, as determined under Treasury Regulation 1.409A-1(b)(9)(iii)(A)(1); and (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Code for the year in which the Executive’s employment is terminated.

15. Miscellaneous.

(a) Neither the Executive nor the Company may assign or delegate any of their rights or duties under this Agreement without the express written consent of the other; provided, however, that the Company shall have the right to delegate its obligation of payment of all sums due to the Executive hereunder, provided that such delegation shall not relieve the Company of any of its obligations hereunder.

(b) During the term of this Agreement, the Company (i) shall indemnify and hold harmless the Executive and his heirs and representatives to the maximum extent provided by the laws of the State of Delaware and by Company’s bylaws and (ii) shall cover the Executive under the Company’s directors’ and officers’ liability insurance on the same basis as it covers other senior executive officers and directors of the Company.

(c) This Agreement constitutes and embodies the full and complete understanding and agreement of the parties with respect to the Executive’s employment by the Company, supersedes all prior understandings and agreements, whether oral or written, between the Executive and the Company, and shall not be amended, modified or changed except by an instrument in writing executed by the party to be charged. If any provision of this Agreement, or the application thereof, shall for any reason and to any extent be invalid or unenforceable, then the remainder of this Agreement and the application of such provision to other persons or circumstances shall be interpreted so as reasonably to effect the intent of the parties hereto. The parties further agree to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that shall achieve, to the extent possible, the economic, business and other purposes of the void or unenforceable provision. No waiver by either party of any provision or condition to be performed shall be deemed a waiver of similar or dissimilar provisions or conditions at the same time or any prior or subsequent time.

(d) This Agreement shall inure to the benefit of, be binding upon and enforceable against, the parties hereto and their respective successors, heirs, beneficiaries and permitted assigns.

(e) The headings contained in this Agreement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

(f) All notices, requests, demands and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when personally delivered, sent by registered or certified mail, return receipt requested, postage prepaid, or by reputable national overnight delivery service (e.g., Federal Express) for overnight delivery to the party at the address set forth in the preamble to this Agreement, or to such other address as either party may hereafter give the other party notice of in accordance with the provisions hereof. Notices shall be deemed given on the sooner of the date actually received or the third business day after deposited in the mail or one business day after deposited with an overnight delivery service for overnight delivery.

(g) This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York, and each of the parties hereto irrevocably consents to the jurisdiction and venue of the federal and state courts located in the State of New York, County of New York, for any disputes arising out of this Agreement, or the Executive’s employment with the Company. The prevailing party in any dispute arising out of this Agreement shall be entitled to his or its reasonable attorney’s fees and costs.

(h) This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one of the same instrument. The parties hereto have executed this Agreement as of the date set forth above.

(i) The Executive represents and warrants to the Company, that he has the full power and authority to enter into this Agreement and to perform his obligations hereunder and that the execution and delivery of this Agreement and the performance of his obligations hereunder will not conflict with any agreement to which the Executive is a party.

(j) The Company represents and warrants to the Executive that it has the full power and authority to enter into this Agreement and to perform its obligations hereunder and that the execution and delivery of this Agreement and the performance of its obligations hereunder will not conflict with any agreement to which the Company is a party.

[Signature page follows immediately]

IN WITNESS WHEREOF, the Executive and the Company have caused this Executive Employment Agreement to be executed as of the date first above written.

TOWERSTREAM CORPORATION

By: /s/ Ernest Ortega
Name: Ernest Ortega
Title: Chief Executive Officer
Date Signed: January 8, 2018

EXECUTIVE

By: /s/ John Macdonald
Name: John Macdonald
Date Signed: January 8, 2018

SEPARATION AGREEMENT

THIS SEPARATION AGREEMENT (the “ Agreement”) is entered into as of the 5th day of January, 2018 by and between Laura Thomas (“Thomas”) and Towerstream Corporation, a Delaware corporation (the “Company”).

WHEREAS, Thomas serves as the Chief Financial Officer of the Company pursuant to the executive employment agreement effective as of May 15, 2017 (the “Employment Agreement”);

WHEREAS, the Company and Thomas desire to enter into this Agreement providing for Thomas’s amicable resignation from the Company’s employment.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties hereby agree as follows:

1. Termination Date . Thomas acknowledges that her last day as Chief Financial Officer will be January 5, 2018, or such other later date mutually agreed upon between the Company and Thomas (the “Termination Date”). Thomas further understands and agrees that, as of the Termination Date, she will be no longer authorized to conduct any business on behalf of the Company as an executive or to hold herself out as an officer of the Company or its subsidiaries (the “Subsidiaries”), except as otherwise provided herein. Any and all positions and/or titles held by Thomas with the Company or any Subsidiaries of the Company will be deemed to have been resigned as of the Termination Date, except as otherwise provided herein.

2. Severance Payment . As severance, the Company shall pay or provide to Thomas the following benefits:

(i) Current base salary of \$240,000 through January 5, 2018, payable on January 12, 2018 in accordance with the Company ’s current payroll schedule;

(ii) Three months of current base salary of \$240,000, payable in six bi-weekly payments of \$10,000 each based on the Company’s payroll schedule commencing on January 26, 2018, less applicable statutory deductions and tax withholdings;

(iii) \$44,310 in earned annual bonus for the fiscal year ended December 31, 2017, payable on March 9, 2018;

(iv) \$5,076.92 in accrued but unused vacation time, consisting of three 2017 rollover days and 2.5 days accrued for 2018 in accordance with the Company ’s vacation policy, payable on January 12, 2018 in accordance with the Company’s current payroll schedule;

(v) As of the Effective Date (defined in Section 10), all stock options and other stock incentive awards held by Thomas will become fully vested and immediately exercisable and all restrictions on any restricted stock held by Thomas will be removed;

(vi) Reimbursement of all reasonable and documented travel and accommodation expenses she incurred in connection with her services pursuant to the Employment Agreement;

(vii) Participation in supplemental insurance through AFLAC at Thomas's sole expense through January 31, 2018; and

(viii) Continued coverage with respect to the Company's group health plans as permitted by the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") for herself and each of her "Qualified Beneficiaries" as defined by COBRA ("COBRA Coverage"). Through January 31, 2019, the Company shall pay for or reimburse the amount of any COBRA premium paid for COBRA Coverage timely elected by and for Thomas and any Qualified Beneficiary of Thomas. Thereafter Thomas shall pay the full cost of continued coverage under COBRA for Thomas and any Qualified Beneficiaries until the period that ends on the earliest of (x) the date Thomas or the Qualified Beneficiary, as the case may be, ceases to be eligible for COBRA Coverage, (y) the last day of the consecutive 18 month period following the Termination Date and (z) the date Thomas or the Qualified Beneficiary, as the case may be, is covered by another group health plan. To reimburse any COBRA premium payment under this paragraph, the Company must receive documentation of the COBRA premium payment within 90 days of its payment.

Thomas shall be responsible for the payment of all payroll taxes, Medicare and other taxes, and shall indemnify the Company with respect to the payment of all such amounts. Except as otherwise set forth herein, Thomas will not be entitled to payment of any bonus, vacation or other incentive compensation. Any tax, penalties or interest as a result thereof shall be the sole responsibility of Thomas who agrees to indemnify and hold harmless the Company with respect thereto.

3. Thomas's Release. In consideration for the payments and benefits described above and for other good and valuable consideration, Thomas, on behalf of herself and all of her affiliates, hereby releases and forever discharges the Company and its subsidiaries, as well as its affiliates and all of their respective directors, officers, employees, members, agents, and attorneys, of and from any and all manner of actions and causes of action, suits, debts, claims, and demands whatsoever, in law or equity, known or unknown, asserted or unasserted, which she ever had, now has, or hereafter may have on account of her employment with the Company, the termination of her employment with the Company, and/or any other fact, matter, incident, claim, injury, event, circumstance, happening, occurrence, and/or thing of any kind or nature which arose or occurred prior to the date when she executes this Agreement, including, but not limited to, any and all claims for wrongful termination; breach of any implied or express employment contract; unpaid compensation of any kind; breach of any fiduciary duty and/or duty of loyalty; breach of any implied covenant of good faith and fair dealing; negligent or intentional infliction of emotional distress; defamation; fraud; unlawful discrimination, harassment; or retaliation based upon age, race, sex, gender, sexual orientation, marital status, religion, national origin, medical condition, disability, handicap, or otherwise; any and all claims arising under arising under Title VII of the Civil Rights Act of 1964, as amended ("Title VII"); the Equal Pay Act of 1963, as amended ("EPA"); the Age Discrimination in Employment Act of 1967, as amended ("ADEA"); the Americans with Disabilities Act of 1990, as amended ("ADA"); the Family and Medical Leave Act, as amended ("FMLA"); the Employee Retirement Income Security Act of 1974, as amended ("ERISA"); the Sarbanes-Oxley Act of 2002, as amended ("SOX"); the Worker Adjustment and Retraining Notification Act of 1988, as amended ("WARN"); and/or any other federal, state, or local law(s) or regulation(s); any and all claims for damages of any nature, including compensatory, general, special, or punitive; and any and all claims for costs, fees, or other expenses, including attorneys' fees, incurred in any of these matters (the "Release"). The Company acknowledges, however, that Thomas does not release or waive any rights to contribution or indemnity under this Agreement to which she may otherwise be entitled. The Company also acknowledges that Thomas does not release or waive any claims, and that she retains any rights she may have, to any vested 401(k) monies (if any) or benefits (if any), or any other benefit entitlement that is vested as of the Termination Date pursuant to the terms of any Company-sponsored benefit plan governed by ERISA. Nothing contained herein shall release the Company from its obligations set forth in this Agreement.

4. Confidential Information; Proprietary Matters.

(i) Confidential Information. Thomas understands and acknowledges that during the course of her employment with the Company as Chief Financial Officer and during the Term of this Agreement, she had access to Confidential Information (as defined below) of the Company. Thomas agrees that at no time will Thomas (a) use Confidential Information for any purpose other than in connection with services provided under this Agreement or (b) disclose Confidential Information to any person or entity other than to the Company or persons or entities to whom disclosure has been authorized by the Company. As used herein, “Confidential Information” means all information of a technical or business nature relating to the Company or its affiliates, including, without limitation, trade secrets, inventions, drawings, file data, documentation, diagrams, specifications, know-how, processes, formulae, models, test results, marketing techniques and materials, marketing and development plans, price lists, pricing policies, business plans, information relating to customer or supplier identities, characteristics and agreements, financial information and projections, flow charts, software in various stages of development, source codes, object codes, research and development procedures and employee files and information; provided, however, that “Confidential Information” shall not include any information that (i) has entered the public domain through no action or failure to act of Thomas; (ii) was already lawfully in Thomas’s possession without any obligation of confidentiality; (iii) subsequent to disclosure hereunder is obtained by Thomas on a non-confidential basis from a third party who has the right to disclose such information to Thomas; or (iv) is ordered to be or otherwise required to be disclosed by Thomas by a court of law or other governmental body; provided, however, that the Company is notified of such order or requirement and given a reasonable opportunity to intervene.

(ii) Proprietary Matters. Thomas expressly agrees that any and all improvements, inventions, discoveries, processes, or know-how that are generated or conceived by Thomas during the term of her employment, whether conceived during Thomas’s regular working hours or otherwise, will be the sole and exclusive property of the Company. Whenever requested by the Company, Thomas will assign or execute any and all applications, assignments and/or other documents, and do all things which the Company reasonably deems necessary or appropriate, in order to permit the Company to: (a) assign and convey, or otherwise make available to the Company, the sole and exclusive right, title, and interest in and to said improvements, inventions, discoveries, processes or know-how; or (b) apply for, obtain, maintain, enforce and defend patents, copyrights, trade names, or trademarks of the United States or of foreign countries for said improvements, inventions, discoveries, processes, or know-how. However, the improvements, inventions, discoveries, processes, or know-how generated or conceived by Thomas and referred to in the Section 4(ii) (except those which may be included in the patents, copyrights, or registered trade names or trademarks of the Company) will not be exclusive property of the Company at any time after having been disclosed or revealed or have otherwise become available to the public or to a third party on a non-confidential basis other than by a breach of the Employment Agreement or after they have been independently developed or discussed without a breach of this Agreement by a third party who has no obligation to the Company. The rights and obligations of the parties under this Section 4(ii) shall survive the expiration or termination of this Agreement for any reason.

(iii) Injunctive Relief. Thomas acknowledges and agrees that any violation of Sections 4(i) through 4(ii) of this Agreement would result in irreparable harm to the Company and, therefore, agrees that, in the event of an actual, suspected, or threatened breach of Sections 4(i) through 4(ii) of this Agreement, the Company shall be entitled to an injunction restraining Thomas from committing or continuing such actual, suspected or threatened breach. The parties acknowledge and agree that the right to such injunctive relief shall be cumulative and shall not be in lieu of, or be construed as a waiver of the Company's right to pursue, any other remedies to which it may be entitled in law or in equity. The Parties agree that for purposes of Sections 4(i) through 4(ii) of this Agreement, the term "Company" shall include the Company and its affiliates.

5. Applicable Law and Dispute Resolution. Except as to matters preempted by ERISA or other laws of the United States of America, this Agreement shall be interpreted solely pursuant to the laws of the State of New York, exclusive of its conflicts of laws principles. Each of the parties hereto irrevocably submits to the exclusive jurisdiction of the courts of the State of New York, for the purposes of any suit, action, or other proceeding arising out of this Agreement or any transaction contemplated hereby.

6. Non-Disparagement. Thomas and the Company each agree that she and it shall not malign, defame, blame, or otherwise disparage the other, either publicly or privately regarding the past or future business or personal affairs of Thomas, the Company or any other officer, director or employee of the Company.

7. Future Cooperation. Thomas agrees to reasonably cooperate with the Company and its financial and legal advisors, in connection with any business matters for which the Thomas's assistance may be required and in any claims, investigations, administrative proceedings or lawsuits which relate to the Company and for which Thomas may possess relevant knowledge or information. Employee agrees to promptly inform the Company if Employee becomes aware of any lawsuits or potential claims that may be filed against the Company. For any assistance occurring after termination of Employee's employment by the Company, the Company agrees to provide reasonable compensation to Employee for such assistance. Employee also agrees to promptly inform the Company if asked to assist in any investigation of the Company (or its actions) that may relate to services performed by Employee for the Company, regardless of whether a lawsuit has been filed against the Company with respect to such investigation.

8. Entire Agreement. This Agreement may not be changed or altered, except by a writing signed by both parties. Until such time as this Agreement has been executed and subscribed by both parties hereto: (i) its terms and conditions and any discussions relating thereto, without any exception whatsoever, shall not be binding nor enforceable for any purpose upon any party; and (ii) no provision contained herein shall be construed as an inducement to act or to withhold an action, or be relied upon as such. This Agreement constitutes an integrated, written contract, expressing the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes any and all prior agreements and understandings, oral or written, between the parties, including the Employment Agreement.

9. Assignment. Thomas has not assigned or transferred any claim she is releasing, nor has she purported to do so. If any provision in this Agreement is found to be unenforceable, all other provisions will remain fully enforceable. This Agreement binds Thomas's heirs, administrators, representatives, executors, successors, and assigns, and will insure to the benefit of all Released Parties and their respective heirs, administrators, representatives, executors, successors, and assigns.

10. Acknowledgement. Thomas acknowledges that she: (a) has carefully read this Agreement in its entirety; (b) has been advised to consult and has been provided with an opportunity to consult with legal counsel of her choosing in connection with this Agreement; (c) fully understands the significance of all of the terms and conditions of this Agreement and has discussed them with her independent legal counsel or has been provided with a reasonable opportunity to do so; (d) has had answered to her satisfaction any questions asked with regard to the meaning and significance of any of the provisions of this Agreement; (e) is signing this Agreement voluntarily and of her own free will and agrees to abide by all the terms and conditions contained herein; and (f) following her execution of this Agreement, she has seven (7) days in which to revoke her release and that, if she chooses not to so revoke, this Agreement shall become effective and enforceable on the eighth (8th) day following her execution of this Agreement (the "Effective Date"). To revoke the Release, Thomas understands that she must give a written revocation to the Company, within the seven (7)-day period following the date of execution of this Agreement. If the last day of the revocation period is a Saturday, Sunday, or legal holiday in the State of New York, then the revocation period shall not expire until the next following day which is not a Saturday, Sunday or legal holiday. If Thomas revokes the Release, this Agreement will not become effective or enforceable and Thomas acknowledges and agrees that she will not be entitled to any benefits hereunder, including in Section 2.

11. Notices. For the purposes of this Agreement, notices, demands and all other communications provided for in this Agreement shall be in writing and shall be delivered (i) personally, (ii) by first class mail, certified, return receipt requested, postage prepaid, or (iii) by overnight courier, with acknowledged receipt, and properly addressed as follows:

If to the Company: Towerstream Corporation
88 Silva Lane
Middletown, RI 02842

If to Thomas: Laura Thomas

12. Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more such counterparts have been signed by each of the parties and delivered to the other parties. In the event that any signature is delivered by facsimile transmission or by an e-mail which contains a portable document format (.pdf) file of an executed signature page, such signature page shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such signature page were an original thereof.

13. Counsel Representation. The parties hereto further agree that this Agreement has been carefully read and fully understood by them. Each party hereby represents, warrants, and agrees that it was represented by counsel in connection with this Agreement, has had the opportunity to consult with counsel about this Agreement, has carefully read and considered the terms of this Agreement, and fully understands the same. Thomas represents, warrants and acknowledges that she has retained independent counsel and that counsel to the Company does not represent Thomas.

[signature page follows immediately]

IN WITNESS HEREOF , the parties hereby enter into this Agreement and affix their signatures as of the date first above written.

TOWERSTREAM CORPORATION

By: /s/ Ernest Ortega
Name: Ernest Ortega
Title: Chief Executive Officer

/s/ Laura Thomas
Laura Thomas