# 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): May 24, 2018

## Towerstream Corporation

(Exact Name of Registrant as Specified in Charter)

| Delaware | 001-33449 | 20-8259086 |
|---|---|---|
| (State or other jurisdiction of incorporation) | (Commission File Number) | (IRS Employer Identification No.) |

| 76 Hammarlund Way – Tech 3<br>Middletown, RI | 02842 |
|---|---|
| (Address of principal executive offices) | (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 1.01. Entry into a Material Definitive Agreement**

On May 24, 2018, Towerstream Corporation (the "Company") and its subsidiaries Towerstream I Inc., Hetnets Tower Corporation, Omega Communications Corporation, Alpha Communications Corporation and Towerstream Houston, Inc. entered into a First Amendment (the "Amendment") to the Second Amended and Restated Forbearance to Loan Agreement (the "Forbearance Agreement") with Melody Business Finance LLC ("Melody") and the majority lenders under the loan agreement (the "Loan Agreement") entered into on October 16, 2014 by and among the Company, certain of its subsidiaries, Melody and the lenders party thereto.

Pursuant to the Amendment, the parties determined to, among other things, extend the compliance period for certain covenants in the Forbearance Agreement to May 31, 2018 from April 30, 2018 and to revise the milestones for a proposed sale of the Company as set forth therein. The Amendment is effective as of May 15, 2018.

Also on May 24, 2018, in accordance with the terms of the Forbearance Agreement, the Company and certain of the lenders entered into an exchange agreement (the "Exchange Agreement"), pursuant to which the lenders exchanged warrants held by them to purchase an aggregate of 2,400 shares of common stock (as adjusted for the Company's 1:20 and 1:75 reverse splits effected in July 2016 and September 2017) for an aggregate of 100 shares of the Company's newly authorized Series I Preferred Stock (the "Series I Preferred Stock"). The terms of the Exchange Agreement and Series I Preferred Stock were determined by arms-length negotiation between the parties. No commission or other payment was received by the Company in connection with the Exchange Agreement. Such exchange was conducted pursuant to the exemption provided by Section 3(a)(9) of the Securities Act of 1933, as amended (the "Securities Act"), and Series I Preferred Stock issuable pursuant to the Exchange Agreement and the shares of common stock issuable upon conversion of the Series I Preferred Stock will be issued in reliance on the exemption from registration contained in Section 3(a)(9) of the Securities Act.

The foregoing description of the Amendment and the Exchange Agreement is not complete and is qualified in its entirety by reference to the full text of the Amendment and Exchange Agreement, copies of which are filed as Exhibits 10.1 and 10.2, respectively, to this report and are incorporated herein by reference.

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

The information set forth in Item 1.01 is incorporated herein by reference.

**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On May 24, 2018 the Company adopted a management incentive plan pursuant to which it shall pay up to $2,000,000 in cash bonuses (subject to withholding and deductions) to officers, directors and employees upon either a sale of the Company or a sale of its assets in each case that results in the payment in full of the obligations due to the Lenders under the Loan Agreement (a "Triggering Sale"). Payments under the management incentive plan shall pay participants an aggregate of $1,000,000 upon a Triggering Sale plus up to an additional aggregate of $1,000,000 to be earned proportionately for a Triggering Sale in which the implied enterprise value of the Company based on the consideration paid in such Triggering Sale increases from a minimum of $45,000,000 to a maximum of $55,000,000.

The following cash bonuses will be earned and paid to eligible participants in accordance with the management incentive plan upon the consummation of a Triggering Sale:

a. Ernest Ortega, Chief Executive Officer, will receive a lump sum cash payment of $360,000;
b. Arthur Giftakis, Chief Operating Officer, will receive a lump sum cash payment of $205,000;
c. John Macdonald, Chief Financial Officer, will receive a lump sum cash payment of $60,000;
d. Named employees will share in a $225,000 bonus pool; and
e. The Company's three current non-executive directors, Philip Urso, Howard Haronian and William Bush, will each receive a lump sum cash payment of $50,000 for an aggregate payment of $150,000.

The following aggregate maximum incremental cash bonuses will be earned and paid to eligible participants in accordance with the Management Incentive Plan upon the consummation of a Triggering Sale, the aggregate purchase price for which implies an enterprise value for the Company of at least $55,000,000, and the amounts of maximum incremental cash bonuses will be reduced proportionately for each $100,000 that the implied enterprise value for the Company is less than $55,000,000 but equal to or greater than $45,000,000. No incremental cash bonuses will be earned and paid to eligible participants if the aggregate purchase for a Triggering Sale implies an enterprise value of less than $45,000,000.

a. Ernest Ortega, Chief Executive Officer, will receive an additional lump sum cash payment of up to $350,000;
b. Arthur Giftakis, Chief Operating Officer, will receive an additional lump sum cash payment of up to $200,000;

c. John Macdonald, Chief Financial Officer, will receive an additional lump sum cash payment of up to $100,000;
d. Named employees will share in an additional bonus pool of up to $200,000; and
e. The Company's three current non-executive directors, Philip Urso, Howard Haronian and William Bush, will each receive an additional lump sum cash payment of up to $50,000 for an additional aggregate payment of up to $150,000.

**Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.**

On May 24, 2018, the Company filed with the Secretary of State of the State of Delaware a Certificate of Designations of Preferences, Rights and Limitations of Series I Preferred Stock (the "Series I Certificate of Designations"), designating 100 shares of preferred stock as Series I Preferred Stock. Shares of Series I Preferred Stock are not convertible into common stock.

In the event of a liquidation or fundamental transaction, a holder of Series I Preferred Stock shall be redeemed and shall be entitled to receive, per share of Series I Preferred Stock, in cash out of the assets of the Company, whether from capital or from earnings available for distribution to its shareholders (the "Liquidation Funds"), a one-time redemption payment in full satisfaction of all obligations to the holder and in cancellation of the Series I Preferred Stock equal to the quotient of (i) the product of (x) the remainder of Liquidation Funds available for distribution (including any deferred amounts) minus: (A) distribution or payment in full to the holders of the Company's Series G Convertible Preferred Stock of the liquidation preference amount in accordance with the rights and designations of such series of Senior Preferred Stock, (B) distribution or payment to the holders of the Company's Series H Convertible Preferred Stock of the liquidation preference amount in accordance with the rights and designations of such series of Senior Preferred Stock; (C) $1,025,437 to be reserved for junior stock holders as their interests appear; and (D) up to $2 million in payments under the 2018 Management and Key Employee Incentive Plan adopted by the Company's

All shares of capital stock of the Company (when and if issued), except for shares of Series G Convertible Preferred Stock and shares of Series H Convertible Preferred Stock outstanding as of May 24, 2018, shall be junior in rank to all shares of Series I Preferred Stock with respect to the preferences as to dividends, distributions and payments upon the liquidation, dissolution, winding-up or fundamental transaction (as defined in the Series I Certificate of Designations) of the Company.

Holders of the Series I Preferred Stock shall have no voting rights except with respect to, and in each case each holder shall be entitled to one vote for each share of Series I Preferred Stock held by such holder: (i) amending, altering or repealing any provision of the Certificate of Incorporation (including the Certificate of Designation) of the Company, if the amendment, alteration or repeal of the Certificate of Incorporation would adversely affect the rights, preferences, powers or privileges of the Series I Preferred Stock or (ii) creating, authorizing, issuing or increasing the authorized or issued amount of any class or series of any of the Company's equity securities, or any warrants, options or other rights convertible or exchangeable into any class or series of any of the Company's equity securities, which would constitute senior preferred stock or parity stock or reclassify any authorized stock of the Company into any such stock, or create, authorize or issue any obligation or security convertible into, exchangeable or exercisable for, or evidencing the right to purchase any such stock. In each such case, at least a majority of the outstanding shares of Series I Preferred Stock shall vote in favor of such proposal.

The foregoing description of the Series I Certificate of Designations is not complete and is qualified in its entirety by reference to the full text of the Series I Certificate of Designations, a copy of which is filed as Exhibit 3.1 to this report and is incorporated herein by reference.

**Item 9.01. Financial Statements and Exhibits**

(d) Exhibits

| Exhibit No. | Description |
|---|---|
| 3.1 | Certificate of Designations of Preferences, Rights and Limitations of Series I Preferred Stock |
| 10.1 | First Amendment to the Second Amended and Restated Forbearance to Loan Agreement |
| 10.2 | Exchange Agreement |

**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: May 31, 2018

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

**Exhibit 3.1**

**CERTIFICATE OF DESIGNATIONS**
**OF**
**SERIES I PREFERRED STOCK**
**OF**
**TOWERSTREAM CORPORATION**

Towerstream Corporation, a Delaware corporation (the Corporation), in accordance with the provisions of Section 151 of the Delaware General Corporation Law, does hereby certify that the following resolution was duly adopted by the Board of Directors of the Corporation on May 23, 2018:

RESOLVED, that pursuant to the authority expressly granted to and vested in the Board of Directors of the Corporation (the Board of Directors ) by the provisions of Article FOURTH of the Certificate of Incorporation of the Corporation (as amended, the " Certificate of Incorporation"), there is hereby created, out of the 5,000,000 shares of preferred stock, par value $0.001 per share, of the Corporation authorized in Article FOURTH of the Certificate of Incorporation, a series of the preferred stock consisting of 100 shares, which series shall have the following powers, designations, preferences and relative, participating, optional or other rights, and the following qualifications, limitations and restrictions (in addition to any powers, designations, preferences and relative, participating, optional or other rights, and any qualifications, limitations and restrictions, set forth in the Certificate of Incorporation which are applicable to the preferred stock of the Corporation):

Section 1. Designation and Amount. There is hereby created out of the authorized and unissued shares of preferred stock of the Corporation a series of preferred stock designated as the Series I Non-convertible Preferred Stock (the "Series I Preferred Stock"). The authorized number of shares of Series I Preferred Stock shall be100 shares.

Section 2. Definitions. As used herein with respect to the Series I Preferred Stock, in addition to those terms defined herein, the following terms shall have the following meanings:

(a) "1934 Act" means the Securities Exchange Act of 1934, as amended.

(b) "Business Day" shall mean any day except Saturday, Sunday and any day on which banking institutions in the State of New York generally are authorized or required by law or other governmental actions to close.

(c) "Common Stock" means the common stock, par value $0.001 per share, of the Corporation.

(d) "Holder" or "holder" means a holder of record of the Series I Preferred Stock.

(e) "Fundamental Transaction" means that (i) the Corporation 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 Corporation or any of its subsidiaries is the surviving corporation) any other Person unless immediately following the closing of such transaction or series of related transactions the Persons holding more than 50% of the Voting Stock of the Corporation prior to such closing continue to hold more than 50% of the Voting Stock of the Corporation following such closing, 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) assist any other Person in making a purchase, tender or exchange offer that is accepted by the holders of more than 50% of the outstanding shares of Voting Stock of the Corporation (not including any shares of Voting Stock of the Corporation held by the Person or Persons making or party to, or associated or affiliated with the Persons making or party to, such purchase, tender or exchange offer), 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 Voting Stock of the Corporation (not including any shares of Voting Stock of the Corporation held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination) excluding any equity financing transaction in which shares of Voting Stock are issued, or (5) reorganize, recapitalize or reclassify the Common Stock, 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 ordinary voting power represented by issued and outstanding Voting Stock of the Corporation.

(f) "Person" means any individual, corporation, general partnership, limited partnership, limited liability partnership, joint venture, association, joint-stock corporation, trust, limited liability corporation, unincorporated organization, other entity or government or any agency or political subdivision thereof.

(g) "Trading Day" means any day on which the OTCQB (or such other successor national securities exchange or automated quotation system on which the Common Stock is then listed or authorized for quotation) is open for the transaction of business.

(h) "Transfer Agent" means the Corporation..

(i) "Voting Stock" of a Person means capital stock of such Person of the class or classes pursuant to which the holders thereof have the general voting power to elect, or the general power to appoint, at least a majority of the board of directors, managers, trustees or other similar governing body of such Person (irrespective of whether or not at the time capital stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

Section 3. Ranking. Except to the extent that the holders of at least a majority of the outstanding shares of Series I Preferred Stock (the "Required Holders") expressly consent to the creation of Parity Stock (as defined below) or Senior Preferred Stock (as defined below), all shares of capital stock of the Corporation (when and if issued), except for shares of Series G Convertible Preferred Stock and shares of Series H Convertible Preferred Stock (such junior stock is referred to herein collectively as "Junior Stock"), shall be junior in rank to all shares of Series I Preferred Stock with respect to the preferences as to dividends, distributions and payments upon the occurrence of a Liquidation Event. For purposes hereof, a "Liquidation Event" shall mean a Fundamental Transaction, liquidation, dissolution or winding-up of the Corporation. For the avoidance of doubt shares of Series G Convertible Preferred Stock and shares of Series H Convertible Preferred Stock shall be considered Senior Preferred Stock. The rights of all such Junior Stock shall be subject to the rights, powers, preferences and privileges of the shares of Series I Preferred Stock. Without limiting any other provision of this Certificate of Designation, without the prior express consent of the Required Holders, voting separate as a single class, the Corporation shall not hereafter authorize or issue any additional or other shares of capital stock that is (i) of senior rank to the Series I Preferred Stock in respect of the preferences as to dividends, distributions and payments upon a Liquidation Event (collectively, the "Senior Preferred Stock"), (ii) of pari passu rank to the Series I Preferred Stock in respect of the preferences as to dividends, distributions and payments upon a Liquidation Event (collectively, the "Parity Stock") or (iii) any Junior Stock having a maturity date (or any other date requiring redemption or repayment of such shares of Junior Stock) that is prior to the date on which any shares of Series I Preferred Stock remain outstanding.

Section 4. Redemption of Series I Preferred Stock Upon a Liquidation Event. To the extent not prohibited by law, all but not less than all, of the then-outstanding shares of Series I Preferred Stock shall be automatically redeemed with no further action or notice required by the Corporation or Holder at a redemption price per share of Series I Preferred Stock equal to the amount that equals the "Net Liquidation Funds" from the Liquidation Event, if any, divided by the number of shares of Series I Preferred Stock then-outstanding. In the event of a Liquidation Event, Holder(s) of Series I Preferred Stock shall be redeemed and shall be entitled to receive, per share of Series I Preferred Stock, in cash out of the assets of the Corporation, whether from capital or from earnings available for distribution to its shareholders (the "Liquidation Funds"), a one-time redemption payment in full satisfaction of all obligations to Holder and in cancellation of the Series I Preferred Stock equal to the quotient of (i) the product of (x) the remainder of Liquidation Funds available for distribution (including any deferred amounts) minus: (A) distribution or payment in full to the holders of the Corporation's Series G Convertible Preferred Stock of the liquidation preference amount in accordance with the rights and designations of such series of Senior Preferred Stock, (B) distribution or payment to the holders of the Corporation's Series H Convertible Preferred Stock of the liquidation preference amount in accordance with the rights and designations of such series of Senior Preferred Stock; (C) $1,025,437 to be reserved for Junior Stock holders as their interests appear; and (D) up to $2 million in payments under the 2018 Management and Key Employee Incentive Plan adopted by the Corporation (the Liquidation Funds less the amounts required under (A), (B), (C) and (D) hereof, the "Net Liquidation Funds"), multiplied by (y) 25% divided by (ii) the total number of outstanding shares of Series I Preferred Stock (the date, time or event on which the redemption is to be effected, the "Redemption Date"). The Redemption Date shall occur on the date as set forth herein, regardless of the amount, if any, of Net Liquidation Funds, or entitlement to Net Liquidation Funds to be paid and as to which the Holder is entitled.

(b) No more than 20 days prior to the Redemption Date and, to the extent reasonably practicable, at least 5 days prior to the Redemption Date, written notice shall be mailed by the Corporation, postage prepaid, to the holders of record (at the close of business on the Business Day next preceding the day on which notice is given) of the Series I Preferred Stock, at the address last shown on the records of the Corporation for each such holder or given by each such holder to the Corporation for the purpose of notifying such holders of the redemption to be effected, specifying the Redemption Date, the Liquidation Funds and Net Liquidation Funds and the place at which payment may be obtained, and calling upon such holders to surrender to the Corporation, in the manner and at the place designated, the shares to be redeemed (the "Redemption Notice").

(c) On or before the Redemption Date, each holder of Series I Preferred Stock to be redeemed shall surrender such shares to the Corporation, in the manner and at the place designated in the Redemption Notice, and thereupon the Net Liquidation Funds for such shares shall be payable to the order of the person whose name appears on the Corporation's record books as the owner thereof, and each such share shall be cancelled and retired.

(d) If the Redemption Notice shall have been duly given, and if as of the Redemption Date the appropriate aggregate redemption price/Net Liquidation Funds, if any, for the then outstanding shares of Series I Preferred Stock is either paid or made available for payment through the deposit arrangements specified in Section (e) below, then the rights of all of the holders of such shares with respect to such shares shall terminate after such Redemption Date, except only the right of the holders to receive the redemption price without interest upon surrender of the shares therefor, and no shares of the Series I Preferred Stock shall be deemed to be outstanding.

(e) On or prior to the Redemption Date, the Corporation may, at its option, deposit with a bank or trust company and designate a paying agent, as a trust fund, an amount in cash equal to Net Liquidation Amount unpaid, with irrevocable instructions and authority to the bank or trust company to pay, on or after the Redemption Date, the appropriate redemption amount to the respective holders upon the surrender of their shares. From and after the Redemption Date, all then-outstanding shares of Series I Preferred Stock shall be redeemed. The deposit shall constitute full payment of the shares to their holders, and from and after the Redemption Date, the shares shall be deemed to be no longer outstanding, and the holders thereof shall cease to be shareholders with respect to such shares and shall have no rights with respect thereto except the right to receive from the bank or trust company payment of the redemption price of the shares, without interest, upon surrender of their shares. Any funds so deposited and unclaimed at the end of one year from the Redemption Date shall be released or repaid to the Corporation, after which time the holders of shares of Series I Preferred Stock that have been redeemed who have not claimed such funds shall be entitled to receive payment of the redemption price only from the Corporation.

(f) Any shares of Series I Preferred Stock redeemed by the Corporation pursuant to Section 4 or otherwise shall be retired and canceled and may not be reissued as shares of such series and the Corporation may thereafter take such appropriate action (without the need for shareholder action) as may be necessary to reduce the authorized number of shares of Series I Preferred Stock accordingly.

Section 5. Conversion. The Series I Preferred Stock shall not be convertible.

Section 6. Voting Rights. The Series I Preferred Stock shall not be entitled to any voting rights other than with respect to the following:

(i) amend, alter or repeal any provision of the Certificate of Incorporation (including this Certificate of Designation), if the amendment, alteration or repeal of the Certificate of Incorporation would adversely affect the rights, preferences, powers or privileges of the Series I Preferred Stock; or

(ii) create, authorize, issue or increase the authorized or issued amount of any class or series of any of the Corporation's equity securities, or any warrants, options or other rights convertible or exchangeable into any class or series of any of the Corporation's equity securities, which would constitute Senior Preferred Stock or Parity Stock or reclassify any authorized stock of the Corporation into any such stock, or create, authorize or issue any obligation or security convertible into, exchangeable or exercisable for, or evidencing the right to purchase any such stock.

Section 7. No Preemptive Rights. The Holders of Series I Preferred Stock shall have no preemptive rights with respect to any shares of the Corporation's capital stock or any of its other securities convertible into or carrying rights or options to purchase any such capital stock.

Section 8. Fractional Shares. The Series I Preferred Stock may be issued in shares and fractions of a share, which shares or fractions of share shall entitle the Holder, in proportion to such Holder's shares or fractional shares, to exercise voting rights, receive Net Liquidation Funds and to have the benefit of all other rights of Holders of Series I Preferred Stock.

Section 9. Other Provisions.

(a) Notices. Any and all notices or other communications or deliveries to be provided by the Corporation hereunder shall be in writing and delivered personally, by facsimile, or sent by a nationally recognized overnight courier service addressed to each Holder at the facsimile number or address of such Holder appearing on the books of the Corporation, or if no such facsimile number or address appears on the books of the Corporation, at the principal place of business of such Holder. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth in this Section prior to 5:30 p.m. (Eastern time) on any date, (ii) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile on a day that is not a Trading Day or later than 5:30 p.m. (Eastern time) on any Trading Day, (iii) the next Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given.

(b) The headings of the various sections and subsections contained herein are for convenience of reference only and shall not affect the interpretation of any of the provisions hereof.

(c) Except as may otherwise be required by law, the Series I Preferred Stock shall not have any powers, designations, preferences and relative, participating, optional or other special rights, other than those specifically set forth in this Certificate of Designations and the Certificate of Incorporation, as amended, of the Corporation.

IN WITNESS WHEREOF, the Company has caused this Certificate of Designations of Series I Non-convertible Preferred Stock of Towerstream Corporation to be signed by its Chief Executive Officer on this 24th day of May, 2018.

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

**Exhibit 10.1**

**First Amendment to Second Amended and Restated**
**Forbearance to Loan Agreement and Amendment to Loan Agreement**

THIS FIRST AMENDMENT TO SECOND AMENDED AND RESTATED FORBEARANCE TO LOAN AGREEMENT AND AMENDMENT TO LOAN AGREEMENT (this "***Agreement***") effective as of May 15, 2018 (the "***Effective Date***"), is made by and among **TOWERSTREAM CORPORATION**, a Delaware corporation ("***Parent***"), **TOWERSTREAM I, INC.**, a Delaware corporation, **HETNETS TOWER CORPORATION**, a Delaware corporation (together with Parent and Towerstream I, Inc., the "***Borrowers***" and each a "***Borrower***"), **OMEGA COMMUNICATIONS CORPORATION**, a Delaware corporation, **ALPHA COMMUNICATIONS CORPORATION** , a Delaware corporation, **TOWERSRTEAM HOUSTON, INC.**, a Texas corporation (together with Omega Communications Corporation and Alpha Communications Corporation, the "***Guarantors***" and each a "***Guarantor***"), the **MAJORITY LENDERS** (as defined below), and **MELODY BUSINESS FINANCE, LLC**, a Delaware limited liability company, as administrative agent for the Lenders (in such capacity, "***Administrative Agent***").

**WITNESSETH**:

WHEREAS, Borrowers, the financial institutions from time to time party thereto (the "***Lenders***") and Administrative Agent are parties to that certain Loan Agreement dated as of October 16, 2014 (as amended, supplemented, amended and restated or otherwise modified from time to time, the "***Loan Agreement***");

WHEREAS, Guarantors entered into that certain Guaranty, dated as of October 16, 2014, for the ratable benefit of Administrative Agent and the Lenders;

WHEREAS, Borrowers, Guarantors, Administrative Agent and the Majority Lenders entered into that certain Amended and Restated Forbearance to Loan Agreement, dated as of February 28, 2018, which amended and restated that certain Forbearance Agreement, dated as of January 26, 2018, entered into that certain First Amendment to Amended and Restated Forbearance to Loan Agreement, dated March 30, 2018, which amended the expiration date of the Forbearance Period from March 30, 2018 to April 15, 2018, and entered into that certain Second Amended and Restated Forbearance to Loan Agreement and Amendment to Loan, dated April 15, 2018 (as amended, the "***Forbearance Agreement***");

WHEREAS, Borrowers, Guarantors, Administrative Agent and the Majority Lenders have agreed to amend the Forbearance Agreement and the Loan Agreement as provided herein; and

WHEREAS, Borrowers, Guarantors, Administrative Agent and the Majority Lenders acknowledge that the terms of this Agreement do not constitute a novation or extinguishment, of the Loan Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and the fulfillment of the conditions set forth herein, the parties hereby agree as follows:

1 . Definitions. All capitalized terms defined in the Loan Agreement and the Forbearance Agreement and not otherwise defined in this Agreement shall have the same meanings as assigned to them in the Loan Agreement or Forbearance Agreement, as the case may be, when used in this Agreement, unless the context hereof shall otherwise require or provide.

2 . Amendment to Loan Agreement. Effective as of April 30, 2018, reference to "April 30, 2018" in Section 6.17 of the Loan Agreement is hereby deleted and replaced with "May 31, 2018".

3 . Amendment to Forbearance Agreement. Section 6(d) of the Forbearance Agreement is hereby deleted and replaced in its entirety with the following language:

"(d) Sale Milestones. In connection with a Sale Transaction sufficient to repay the Obligations in full on or before September 30, 2018, the Loan Parties shall:

(i) On or before April 16, 2018 the Financial Adviser will prepare a teaser or other general marketing materials regarding the Company (and approved by Parent) seeking to consummate a Sale Transaction by no later than September 30, 2018, and will distribute such materials to those potential purchases, lenders or investors identified by the Financial Adviser;

(ii) On or before April 30, 2018, Parent will receive and share with the Administrative Agent and the Lenders one or more written indications of interest from reputable purchasers, investors or lender offering to provide to consummate a Sale Transaction by no later than September 30, 2018;

(iii) On or before July 6, 2018, Parent will deliver to the Administrative Agent and the Lenders an executed term sheet for the Sale Transaction by no later than July 29, 2018; and

(iv) On or before July 29, 2018, Parent will deliver to the Administrative Agent and the Lenders definitive, executed documentation to consummate the Sale Transaction by no later than September 30, 2018."

4 . Ratification of Loan Documents. Each Borrower, each Guarantor, Administrative Agent and each Majority Lender further agrees that the Liens created by the Loan Documents shall continue and carry forward until the Obligations are paid and performed in full. Each Borrower and each Guarantor further agrees that such Liens are hereby ratified and affirmed as valid and subsisting against the property described in the Loan Documents and that this Agreement shall in no manner vitiate, affect or impair the Loan Agreement or the other Loan Documents (except as expressly modified in this Agreement), and that such Liens shall not in any manner be waived, released, altered or modified. Each Borrower and each Guarantor acknowledges and agrees that as of the Effective Date, to its current and actual knowledge, there are no offsets, defenses or claims against any part of the Obligations.

5. Representations and Warranties. Each Borrower and Guarantor hereby certifies that, after giving effect to this Agreement:

(a) The representations and warranties of each Borrower and Guarantor contained in Article 5 of the Loan Agreement, or which are contained in any document furnished at any time under or in connection with the Loan Agreement, that are qualified by materiality are true and correct on and as of the date hereof, and each of the representations and warranties of each Borrower and Guarantor contained in Article 5 of the Loan Agreement (other than Section 5.25 of the Loan Agreement solely with respect to the Specified Events of Default), or which are contained in any document furnished at any time under or in connection with the Loan Agreement, that are not qualified by materiality are true and correct in all material respects on and as of the date hereof, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct, or true and correct in all material respects, as the case may be, as of such earlier date;

(b) this Agreement has been duly authorized, executed and delivered by each Borrower and each Guarantor and constitutes a legal, valid and binding obligation of each such party, except as may be limited by general principles of equity or by the effect of the Bankruptcy Code or any applicable similar statute; and

(c) after giving effect to this Agreement and except for the Specified Events of Default, no Default or Event of Default exists.

6. Conditions to Effectiveness. This Agreement shall not be effective until the following conditions precedent have been satisfied:

(a) Administrative Agent shall have received counterparts of this Agreement executed by each Borrower, each Guarantor, Administrative Agent and each Majority Lender;

(b) No Default or Event of Default shall exist except the Specified Events of Default; and

(c) Administrative Agent shall have received such other documents, instruments and certificates as reasonably requested by Administrative Agent.

Upon the satisfaction of the conditions set forth in this Section 6, this Agreement shall be effective as of the date hereof.

7. Scope of Agreement. Any and all other provisions of the Loan Agreement and any other Loan Documents are hereby amended and modified wherever necessary and even through not specifically addressed herein, so as to conform to the amendments and modifications set forth in this Agreement.

8 . Limitation on Agreements. The amendments and agreements set forth herein are limited in scope as described herein and shall not be deemed (a) to be a consent under, or waiver of, any other term or condition of the Loan Agreement or any of the other Loan Documents, or (b) to prejudice any right or rights which Administrative Agent or any Lender now has or may have in the future under, or in connection with the Loan Documents, as amended or modified by this Agreement, the other Loan Documents or any of the documents referred to herein or therein.

9. **CHOICE OF LAW; SERVICE OF PROCESS; JURY TRIAL WAIVER.**

**THE VALIDITY OF THIS AGREEMENT, THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF, AND THE RIGHTS OF THE PARTIES HERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR RELATED HERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW, BUT OTHERWISE EXCLUDING AND WITHOUT REGARD FOR THE CONFLICTS OF LAWS PRINCIPLES THEREOF).**

**THE PARTIES HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMIT, FOR THEMSELVES AND THEIR PROPERTY, TO THE EXCLUSIVE JURISDICTION OF ANY UNITED STATES FEDERAL OR NEW YORK STATE COURT SITTING IN NEW YORK, NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING SHALL BE HEARD AND DETERMINED IN SUCH NEW YORK STATE OR, TO THE EXTENT PERMITTED BY LAW, IN SUCH FEDERAL COURT. BORROWER AND THE LENDER GROUP WAIVE, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF *FORUM NON CONVENIENS* OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 10. EACH PARTY HERETO FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO SUCH PARTY AT ITS SAID ADDRESS. BORROWER AND THE LENDER GROUP HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. BORROWER AND THE LENDER GROUP REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT**.

10. Section Headings. Headings and numbers have been set forth herein for convenience only. Unless the contrary is compelled by the context, everything contained in each Section applies equally to this entire Agreement.

11. Loan Document. This Agreement is a Loan Document and is subject to all provisions of the Loan Agreement applicable to Loan Documents, all of which are incorporated in this Agreement by reference the same as if set forth in this Agreement verbatim.

12. Severability of Provisions. Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

13. No Novation. This Agreement amends the Forbearance Agreement. This Agreement is given as an amendment and modification of, and not as a payment of, the Obligations and is not intended to constitute a novation of the Loan Agreement or any of the other Loan Documents. All of the Obligations owing by Borrower under the Loan Agreement and the other Loan Documents shall continue.

14. Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Borrower or any of Parent's Subsidiaries may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of Administrative Agent and each of the Lenders. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto and their respective successors and assigns permitted hereby) any legal or equitable right, remedy or claim under or by reason of this Agreement.

15. Counterparts; Telefacsimile Execution. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Delivery of an executed counterpart of this Agreement by telefacsimile or other electronic means shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile or other electronic means also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.

16. Expenses. Without limiting the provisions of the Loan Agreement (including, without limitation, Article 10 thereof), Borrowers agree to pay all costs and expenses (including without limitation reasonable fees and expenses of any counsel, financial advisor, industry advisor and agent for Administrative Agent or any Lender) incurred before or after the date hereof by Administrative Agent, any Lender and their respective Affiliates in connection with the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents.

17. Release. As a material part of the consideration for Administrative Agent and the Lenders entering into this Agreement, each Borrower ("***Releasor***") agrees as follows (the "***Release Provision***"):

(a) Releasor hereby releases and forever discharges Administrative Agent, each Lender and their respective predecessors, successors, assigns, officers, managers, directors, shareholders, employees, agents, attorneys, representatives, parent corporations, subsidiaries, and affiliates (hereinafter all of the above collectively referred to as "***Lender Group***") jointly and severally from any and all claims, counterclaims, demands, damages, debts, agreements, covenants, suits, contracts, obligations, liabilities, accounts, offsets, rights, actions, and causes of action of any nature whatsoever occurring prior to the date hereof, including, without limitation, all claims, demands, and causes of action for contribution and indemnity, whether arising at law or in equity, presently possessed, whether known or unknown, whether liability be direct or indirect, liquidated or unliquidated, presently accrued, whether absolute or contingent, foreseen or unforeseen, and whether or not heretofore asserted ("***Claims***"), which Releasor may have or claim to have against any of Lender Group.

(b) Releasor agrees not to sue any of Lender Group or in any way assist any other Person in suing Lender Group with respect to any Claim released herein. The Release Provision may be pleaded as a full and complete defense to, and may be used as the basis for an injunction against, any action, suit, or other proceeding which may be instituted, prosecuted, or attempted in breach of the release contained herein.

(c) Releasor acknowledges, warrants, and represents to Lender Group that:

(i) Releasor has read and understands the effect of the Release Provision. Releasor has had the assistance of independent counsel of its own choice, or has had the opportunity to retain such independent counsel, in reviewing, discussing, and considering all the terms of the Release Provision; and if counsel was retained, counsel for Releasor has read and considered the Release Provision and advised Releasor to execute the same. Before execution of this Agreement, Releasor has had adequate opportunity to make whatever investigation or inquiry it may deem necessary or desirable in connection with the subject matter of the Release Provision.

(ii) Releasor is not acting in reliance on any representation, understanding, or agreement not expressly set forth herein. Releasor acknowledges that Lender Group has not made any representation with respect to the Release Provision except as expressly set forth herein.

(iii) Releasor has executed this Agreement and the Release Provision thereof as its free and voluntary act, without any duress, coercion, or undue influence exerted by or on behalf of any Person.

(iv) Releasor is the sole owner of the Claims released by the Release Provision, and Releasor has not heretofore conveyed or assigned any interest in any such Claims to any other Person.

(d) Releasor understands that the Release Provision was a material consideration in the agreement of Administrative Agent and the Lenders to enter into this Agreement.

(e) It is the express intent of Releasor that the release and discharge set forth in the Release Provision be construed as broadly as possible in favor of Lender Group so as to foreclose forever the assertion by Releasor of any Claims released hereby against Lender Group.

(f) If any term, provision, covenant, or condition of the Release Provision is held by a court of competent jurisdiction to be invalid, illegal, or unenforceable, the remainder of the provisions shall remain in full force and effect.

18. INTEGRATION. THIS AGREEMENT, TOGETHER WITH THE OTHER LOAN DOCUMENTS EXECUTED IN CONNECTION HEREWITH, REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

*(Signature pages follow)*

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed.

**BORROWERS:**

**TOWERSTREAM CORPORATION**,
a Delaware corporation

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

**TOWERSTREAM I, INC.**,
a Delaware corporation,

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

**HETNETS TOWER CORPORATION**,
a Delaware corporation,

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

**GUARANTORS**:

**OMEGA COMMUNICATIONS CORPORATION**,
a Delaware corporation

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

**ALPHA COMMUNICATIONS CORPORATION**,
a Delaware corporation,

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

**TOWERSTREAM HOUSTON, INC**,
a Texas corporation,

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

**ADMINISTRATIVE AGENT:**

**MELODY BUSINESS FINANCE, LLC**,
a Delaware limited liability company

By: /s/ Terri Lecamp
Terri Lecamp
Authorized Signatory

**MAJORITY LENDERS:**

**MELODY CAPITAL PARTNERS OFFSHORE CREDIT MINI-MASTER FUND, LP**
By: Melody Capital Partners, LP
Its Investment Advisor

By: /s/ Terri Lecamp
Terri Lecamp
Authorized Signatory

**MELODY CAPITAL PARTNERS ONSHORE CREDIT FUND, LP**
By: Melody Capital Partners, LP
Its Investment Advisor

By: /s/ Terri Lecamp
Terri Lecamp
Authorized Signatory

**MELODY SPECIAL SITUATIONS OFFSHORE CREDIT MINI-MASTER FUND, LP**
By: Melody Capital Partners, LP
Its Investment Advisor

By: /s/ Terri Lecamp
Terri Lecamp
Authorized Signatory

**Exhibit 10.2**

**EXCHANGE AGREEMENT**

**THIS EXCHANGE AGREEMENT** (the "Agreement"), dated as of May 24, 2018, is made by and between Towerstream Corporation, a Delaware corporation ("Company"), and the holder of Warrants (as defined herein) signatory hereto (the "Holder").

**WHEREAS**, on October 16, 2014, the Company and its subsidiaries, Towerstream I, Inc. ("TSI") and Hetnets Tower Corporation entered into a loan agreement (as amended, supplemented, amended and restated or otherwise modified from time to time, the "Loan Agreement") with certain lenders (the "Lenders") and Melody Business Finance LLC as administrative agent for the Lenders pursuant to which the Lenders provided the Company with a five-year $35 million secured term loan;

**WHEREAS**, in connection with the Loan Agreement and pursuant to a warrant and registration rights agreement (the "Warrant Agreement"), the Company issued to the Warrant Holders (as defined in the Warrant Agreement), or to the assignors of the Warrants to the Warrant Holders, warrants (the "Warrants"), with a term of seven and a half years, to initially purchase 3.6 million shares of common stock of the Company which two-thirds had an initial exercise price of $1.26 and one-third had an initial exercise price of $0.01, subject to customary adjustments under certain circumstances, including, but not limited to, reverse stock splits;

**WHEREAS**, the Holder holds such number of Warrants as set forth on Schedule A hereto (such Warrants, the "Exchange Securities"); and

**WHEREAS**, subject to the terms and conditions set forth in this Agreement and pursuant to Section 3(a)(9) of the Securities Act of 1933, as amended (the "Securities Act"), the Company desires to exchange with the Holder, and the Holder desires to exchange with the Company, the Exchange Securities for shares of Series I Non-convertible Preferred Stock (the "Preferred Stock").

**NOW, THEREFORE, IN CONSIDERATION** of the mutual covenants contained in this Agreement, and for other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the Company and Holder agree as follows:

1. Terms of the Exchange. The Company and Holder agree that the Holder will exchange the Exchange Securities, without the payment of any exercise price therefore, and will relinquish any and all other rights he may have under the Exchange Securities, in exchange for such number of shares of Preferred Stock (the "Shares") as set forth on Schedule A annexed hereto. The terms, limitations and preferences of the Preferred Stock are set forth in the Certificate of Designation of Series I Non-convertible Preferred Stock annexed hereto as Exhibit A (the "Certificate of Designation").

2. Closing. Upon satisfaction of the conditions set forth herein, a closing shall occur at the principal offices of the Company, or such other location as the parties shall mutually agree. At closing, Holder shall deliver certificates representing the Exchange Securities to the Company and the Company shall deliver to such Holder a certificate evidencing the Shares, in the name(s) and amount(s) as indicated on Schedule A annexed hereto. Upon closing, any and all obligations of the Company to Holder under the Exchange Securities shall be fully satisfied (including any rights related to the Exchange Securities under the Warrant Agreement), the certificates evidencing the Exchange Securities shall be cancelled and Holder will have no remaining rights, powers, privileges, remedies or interests under the Exchange Securities.

3. Further Assurances. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as any other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

4. Representations and Warranties of the Holder. The Holder represents and warrants as of the date hereof and as of the closing to the Company as follows:

a . Authorization; Enforcement. The Holder has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by this Agreement and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement by the Holder and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of the Holder and no further action is required by the Holder. This Agreement has been (or upon delivery will have been) duly executed by the Holder and, when delivered in accordance with the terms hereof, will constitute the valid and binding obligation of the Holder enforceable against the Holder in accordance with its terms, except: (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

b. Tax Advisors. The Holder has reviewed with its own tax advisors the U.S. federal, state, local and foreign tax consequences of this investment and the transactions contemplated by this Agreement. With respect to such matters, the Holder relies solely on such advisors and not on any statements or representations of the Company or any of its agents, written or oral. The Holder understands that it (and not the Company) shall be responsible for its own tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement.

c . Information Regarding Holder. Holder is an "accredited investor", as such term is defined in Rule 501 of Regulation D promulgated by the United States Securities and Exchange Commission (the "Commission") under the Securities Act, is experienced in investments and business matters, has made investments of a speculative nature and has purchased securities of companies in private placements in the past and, with its representatives, has such knowledge and experience in financial, tax and other business matters as to enable the Holder to utilize the information made available by the Company to evaluate the merits and risks of and to make an informed investment decision with respect to the proposed purchase, which represents a speculative investment. Holder has the authority and is duly and legally qualified to purchase and own the Shares. Holder is able to bear the risk of such investment for an indefinite period and to afford a complete loss thereof.

d . Legend. The Holder understands that the Shares have been issued pursuant to an exemption from registration or qualification under the Securities Act and applicable state securities laws, and except as set forth below, the Shares shall bear any legend as required by the "blue sky" laws of any state and a restrictive legend in substantially the following form (and a stop-transfer order may be placed against transfer of such stock certificates):

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT 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 TO THE HOLDER (IF REQUESTED BY THE COMPANY), IN A FORM REASONABLY ACCEPTABLE TO THE COMPANY, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD OR ELIGIBLE TO BE 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.

e. Removal of Legends. Certificates evidencing the Shares shall not be required to contain the legend set forth in Section 4(d) above or any other legend (i) while a registration statement covering the resale of such Shares is effective under the Securities Act, (ii) following any sale of such Shares pursuant to Rule 144 (as defined herein) (assuming the transferor is not an affiliate of the Company), (iii) if such Shares are eligible to be sold, assigned or transferred under Rule 144 and the Subscriber is not an affiliate of the Company (provided that the Holder provides the Company with reasonable assurances that such Shares are eligible for sale, assignment or transfer under Rule 144 which shall not include an opinion of the Holder's counsel), (iv) in connection with a sale, assignment or other transfer (other than under Rule 144), provided that the Holder provides the Company with an opinion of counsel to the Holder, in a generally acceptable form, to the effect that such sale, assignment or transfer of the Shares may be made without registration under the applicable requirements of the Securities Act or (v) if such legend is not required under applicable requirements of the Securities Act (including, without limitation, controlling judicial interpretations and pronouncements issued by the Commission). If a legend is not required pursuant to the foregoing, the Company shall no later than three (3) business days following the delivery by the Holder to the Company or the transfer agent (with notice to the Company) of a legended certificate representing such Shares (endorsed or with stock powers attached, signatures guaranteed, and otherwise in form necessary to affect the reissuance and/or transfer, if applicable), together with any other deliveries from the Holder as may be required above in this Section 4(e), as directed by the Holder, either: (A) provided that the Company's transfer agent is participating in the DTC Fast Automated Securities Transfer Program, credit the aggregate number of shares of Preferred Stock to which the Holder shall be entitled to the Holder's or its designee's balance account with DTC through its Deposit/Withdrawal at Custodian system or (B) if the Company's transfer agent is not participating in the DTC Fast Automated Securities Transfer Program, issue and deliver (via reputable overnight courier) to the Holder, a certificate representing such Shares that is free from all restrictive and other legends, registered in the name of the Holder or its designee. The Company shall be responsible for any transfer agent fees or DTC fees with respect to any issuance of Shares or the removal of any legends with respect to any Shares in accordance herewith, including, but not limited to, fees for the opinions of counsel rendered to the transfer agent in connection with the removal of any legends.

f. Restricted Securities. The Holder understands that: (i) the Shares have not been and are not being registered under the Securities Act or any state securities laws, and may not be offered for sale, sold, assigned or transferred unless (A) subsequently registered thereunder, (B) the Holder shall have delivered to the Company (if requested by the Company) an opinion of counsel to the Holder, in a form reasonably acceptable to the Company, to the effect that such Shares to be sold, assigned or transferred may be sold, assigned or transferred pursuant to an exemption from such registration, or (C) the Holder provides the Company with reasonable assurance that such Shares can be sold, assigned or transferred pursuant to Rule 144 or Rule 144A promulgated under the Securities Act (or a successor rule thereto) (collectively, "Rule 144"); (ii) any sale of the Shares made in reliance on Rule 144 may be made only in accordance with the terms of Rule 144, and further, if Rule 144 is not applicable, any resale of the Shares under circumstances in which the seller (or the Person through whom the sale is made) may be deemed to be an underwriter (as that term is defined in the Securities Act) may require compliance with some other exemption under the Securities Act or the rules and regulations of the SEC promulgated thereunder; and (iii) neither the Company nor any other Person is under any obligation to register the Shares under the Securities Act or any state securities laws or to comply with the terms and conditions of any exemption thereunder.

5. Representations and Warranties of the Company. The Company hereby makes the following representations and warranties to the Holder:

a. Authorization; Enforcement. The Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by this Agreement and each of the other agreements entered into by the parties hereto in connection with the transactions contemplated by this Agreement (collectively, the "Exchange Documents") and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement by the Company and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of the Company and no further action is required by the Company, the Board of Directors of the Company or the Company's stockholders in connection therewith, including, without limitation, the issuance of the Shares, and no further filing, consent, or authorization is required by the Company, its Board of Directors or its stockholders. This Agreement and any Other Agreement (as defined herein) have been (or upon delivery will have been) duly executed by the Company and, when delivered in accordance with the terms hereof, will constitute the valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except: (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

b . Organization and Qualification. Each of the Company and its subsidiaries (the "Subsidiaries") are entities duly organized and validly existing and in good standing under the laws of the jurisdiction in which they are formed, and have the requisite power and authorization to own their properties and to carry on their business as now being conducted and as presently proposed to be conducted. Each of the Company and each of its Subsidiaries is duly qualified as a foreign entity to do business and is in good standing in every jurisdiction in which its ownership of property or the nature of the business conducted by it makes such qualification necessary, except to the extent that the failure to be so qualified or be in good standing would not have a Material Adverse Effect. As used in this Agreement, "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 Company or any Subsidiary, individually or taken as a whole, (ii) the transactions contemplated hereby or in any of the other Exchange Documents or (iii) the authority or ability of the Company to perform any of its obligations under any of the Exchange Documents. Other than its Subsidiaries, there is no Person (as defined below) in which the Company, directly or indirectly, owns capital stock or holds an equity or similar interest. "Person" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity and any governmental entity or any department or agency thereof.

c. No Conflict. The execution, delivery and performance of the Exchange Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby will not (i) result in a violation of the Certificate of Incorporation (as defined below) or other organizational documents of the Company or any of its Subsidiaries, any capital stock of the Company or any of its Subsidiaries or Bylaws (as defined below) of the Company or any of its Subsidiaries, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which the Company or any of its Subsidiaries is a party, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including foreign, federal and state securities laws and regulations and the rules and regulations of the OTCQB tier of the OTC Markets Group (the "Principal Market") applicable to the Company or any of its Subsidiaries or by which any property or asset of the Company or any of its Subsidiaries is bound or affected except, in the case of clause (ii) or (iii) above, to the extent such violations that could not reasonably be expected to have a Material Adverse Effect.

d . No Consents. Neither the Company nor any Subsidiary is required to obtain any consent from, authorization or order of, or make any filing or registration with, any court, governmental agency or any regulatory or self-regulatory agency or any other Person in order for it to execute, deliver or perform any of its respective obligations under or contemplated by the Exchange Documents, in each case, in accordance with the terms hereof or thereof. All consents, authorizations, orders, filings and registrations which the Company or any Subsidiary is required to obtain pursuant to the preceding sentence have been obtained or effected on or prior to the date of this Agreement, and neither the Company nor any of its Subsidiaries is aware of any facts or circumstances which might prevent the Company or any of its Subsidiaries from obtaining or effecting any of the registration, application or filings contemplated by the Exchange Documents. Except as disclosed in the Company's filings with the Commission (the "SEC Documents"), the Company is not in violation of the requirements of the Principal Market and has no knowledge of any facts or circumstances which could reasonably lead to delisting or suspension of the Preferred Stock in the foreseeable future. The Company has obtained all necessary consents and approvals from the Principal Market, including, if required, a Listing of Additional Shares application covering the listing of the Shares with the Principal Market.

e . Securities Law Exemptions. Assuming the accuracy of the representations and warranties of the Holder contained herein, the offer and issuance by the Company of the Shares is exempt from registration under the Securities Act. The offer and issuance of the Shares is exempt from registration under the Securities Act pursuant to the exemption provided by Section 3(a)(9) thereof. The Company covenants and represents to the Holder that neither the Company nor any of its Subsidiaries has received, anticipates receiving, has any agreement to receive or has been given any promise to receive any consideration from the Holder or any other Person in connection with the transactions contemplated by the Exchange Documents.

f. Issuance of Shares. The issuance of the Shares is duly authorized and upon issuance in accordance with the terms of the Exchange Documents shall be validly issued, fully paid and non-assessable and free from all taxes, liens, charges and other encumbrances with respect to the issue thereof.

g . Transfer Taxes. As of the date of this Agreement, all share transfer or other taxes (other than income or similar taxes) which are required to be paid in connection with the issuance of the Shares to be exchanged with the Holder hereunder will be, or will have been, fully paid or provided for by the Company, and all laws imposing such taxes will be or will have been complied with.

h. Equity Capitalization. Except as disclosed in the SEC Documents: (i) none of the Company's or any Subsidiary's capital stock is subject to preemptive rights or any other similar rights or any liens or encumbrances suffered or permitted by the Company or any Subsidiary; (ii) there are no outstanding options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any capital stock of the Company or any of its Subsidiaries, or contracts, commitments, understandings or arrangements by which the Company or any of its Subsidiaries is or may become bound to issue additional capital stock of the Company or any of its Subsidiaries or options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any capital stock of the Company or any of its Subsidiaries; (iii) there are no outstanding debt securities, notes, credit agreements, credit facilities or other agreements, documents or instruments evidencing *indebtedness* of the Company or any of its Subsidiaries or by which the Company or any of its Subsidiaries is or may become bound; (iv) there are no financing statements securing obligations in any amounts filed in connection with the Company or any of its Subsidiaries; (v) there are no agreements or arrangements under which the Company or any of its Subsidiaries is obligated to register the sale of any of their securities under the Securities Act; (vi) there are no outstanding securities or instruments of the Company or any of its Subsidiaries which contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which the Company or any of its Subsidiaries is or may become bound to redeem a security of the Company or any of its Subsidiaries; (vii) there are no securities or instruments containing anti-dilution or similar provisions that will be triggered by the issuance of the Shares; (viii) neither the Company nor any Subsidiary has any stock appreciation rights or "phantom stock" plans or agreements or any similar plan or agreement; and (ix) neither the Company nor any of its Subsidiaries have any liabilities or obligations required to be disclosed in the SEC Documents which are not so disclosed in the SEC Documents, other than those incurred in the ordinary course of the Company's or its Subsidiaries' respective businesses and which, individually or in the aggregate, do not or could not have a Material Adverse Effect. The Company has furnished to the Holder true, correct and complete copies of the Company's Certificate of Incorporation, as amended and as in effect on the date hereof (the "Certificate of Incorporation"), and the Company's bylaws, as amended and as in effect on the date hereof (the "Bylaws"), and the terms of all securities convertible into, or exercisable or exchangeable for, shares of Preferred Stock and the material rights of the holders thereof in respect thereto that have not been disclosed in the SEC Documents.

(i) Shell Company Status. The Company is not and has not, for a period of at least two years, been an issuer identified in Rule 144(i)(1) of the Securities Act. The Company is, and has been for a period of at least 90 days, subject to the reporting requirements of Section 13 or Section 15(d) of the Exchange Act.

6. Reserved.

7. No Registration Rights. The Holder waives any rights the Holder may have had with respect to registration of the Exchange Securities under the Securities Act and confirms that the Company is under no obligation to register the Shares.

8. Miscellaneous.

a. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

b. Governing Law; Jurisdiction; Waiver of Jury Trial. This Agreement shall be governed by and construed under the laws of the State of New York without regard to the choice of law principles thereof. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the State of New York located in The City of New York, Borough of Manhattan for the adjudication of any dispute hereunder or in connection herewith or therewith or with any transaction contemplated hereby or thereby, and hereby irrevocably waives any objection that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.

c . Severability. If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of any provision of this Agreement in any other jurisdiction.

d . Counterparts/Execution. This Agreement may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party. In the event that any signature is delivered by facsimile transmission or by an e-mail which contains an electronic 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 facsimile or electronic file signature page (as the case may be) were an original thereof.

e. Notices. Any notice or communication permitted or required hereunder shall be in writing and shall be deemed sufficiently given if hand-delivered or sent (i) postage prepaid by registered mail, return receipt requested, or (ii) by facsimile, to the respective parties as set forth below, or to such other address as either party may notify the other in writing.

If to the Company, to:

Towerstream Corporation
76 Hammarlund Way
Middletown, RI 02842
Attention: Chief Executive Officer

If to Holder, to the address set forth on the signature page of the Holder.

f. Expenses. The parties hereto shall pay their own costs and expenses in connection herewith.

g . Entire Agreement; Amendments . This Agreement constitutes the entire agreement between the parties with regard to the subject matter hereof and thereof, superseding all prior agreements or understandings, whether written or oral, between or among the parties. This Agreement may be amended, modified, superseded, cancelled, renewed or extended, and the terms and conditions hereof may be waived, only by a written instrument signed by all parties, or, in the case of a waiver, by the party waiving compliance. Except as expressly stated herein, no delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any right, power or privilege hereunder preclude any other or future exercise of any other right, power or privilege hereunder.

h . Headings. The headings used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

i. Pledge of Shares. The Company acknowledges and agrees that the Shares may be pledged by the Holder in connection with a bona fide margin agreement or other loan or financing arrangement that is secured by the Shares. The pledge of Shares shall not be deemed to be a transfer, sale or assignment of the Shares hereunder, and if the Holder effects a pledge of Shares it shall not be required to provide the Company with any notice thereof or otherwise make any delivery to the Company pursuant to this Agreement or any Other Agreement. The Company hereby agrees to execute and deliver such documentation as a pledgee of the Shares may reasonably request in connection with a pledge of the Shares to such pledgee by the Holder.

(Signature Pages Follow)

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be duly executed as of the day and year first above written.

**TOWERSTREAM CORPORATION**

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

**HOLDERS:**

**MELODY CAPITAL PARTNERS OFFSHORE CREDIT MINI-MASTER FUND, LP**

By: Melody Capital Partners, LP
Its Investment Adviser

By: /s/ Terri Lecamp
Terri Lecamp
Authorized Signatory

Address for Notices:

Melody Business Finance, LLC
60 Arch Street, Second Floor
Greenwich, CT 06830
Attention: Notices

Address for delivery of Shares:
Melody Business Finance, LLC
60 Arch Street, Second Floor
Greenwich, CT 06830

**MELODY SPECIAL SITUATIONS OFFSHORE CREDIT MINI-MASTER FUND, LP**

By: Melody Capital Partners, LP
Its Investment Adviser

By: /s/ Terri Lecamp
Terri Lecamp
Authorized Signatory

Address for Notices:

Melody Business Finance, LLC
60 Arch Street, Second Floor
Greenwich, CT 06830
Attention: Notices

Address for delivery of Shares:
Melody Business Finance, LLC
60 Arch Street, Second Floor
Greenwich, CT 06830

**MELODY CAPITAL PARTNERS ONSHORE CREDIT FUND, LP**

By: Melody Capital Partners, LP
Its Investment Adviser

By: /s/ Terri Lecamp
Terri Lecamp
Authorized Signatory

Address for Notices:

Melody Business Finance, LLC
60 Arch Street, Second Floor
Greenwich, CT 06830
Attention: Notices

Address for delivery of Shares:
Melody Business Finance, LLC
60 Arch Street, Second Floor
Greenwich, CT 06830

**DRAWBRIDGE SPECIAL OPPORTUNITIES FUND LP**
By: Drawbridge Special Opportunities GP LLC
(its General Partner)

By: /s/ Constantine M. Dakolias
Name: Constantine M. Dakolias
Title: President

Address for Notices:

Drawbridge Special Opportunities Fund LP
c/o Fortress Investment Group
1345 Avenue of the Americas
46th Floor
New York, NY 10105
Attention: General Counsel – Credit Funds
With a copy to:

Drawbridge Special Opportunities Fund LP
c/o Fortress Investment Group
1345 Avenue of the Americas
46th Floor
New York, NY 10105
Attention: David Sharpe

Address for delivery of Shares:

Drawbridge Special Opportunities Fund LP
c/o Fortress Investment Group
1345 Avenue of the Americas
46th Floor
New York, NY 10105
Attention: Robyn Gewanter

**Schedule A**

| Holder | Exchange Securities<br>Number of Shares of Common<br>Stock Upon Grant | Shares of Series I Preferred Stock |
|---|---|---|
| Melody Capital Partners Offshore<br>Credit Mini-Master Fund, LP | Warrant Cert. No. A-1 (227,188)<br>Warrant Cert. No. B-1 (454,375) | 18.93230286 |
| Melody Special Situations Offshore<br>Credit Mini-Master Fund, LP | Warrant Cert. No. A-2 (602,077)<br>Warrant Cert. No. B-2 (1,204,154) | 50.17306286 |
| Melody Capital Partners Onshore<br>Credit Fund, LP | Warrant Cert. No. A-3 (224,708)<br>Warrant Cert. No. B-3 (449,416) | 18.72567429 |
| Drawbridge Special Opportunities<br>Fund LP | Warrant Cert. No. A-4 (146,027)<br>Warrant Cert. No. B-4 (292,055) | 12.16895999 |

**Exhibit A**