

## MEMORANDUM OF TERMS

This Memorandum of Terms represents only the current thinking of the parties with respect to certain of the major issues relating to the proposed private offering and does not constitute a legally binding agreement. This Memorandum of Terms does not constitute an offer to sell or a solicitation of an offer to buy securities in any state where the offer or sale is not permitted. This Memorandum of Terms shall be governed in all respects by the laws of the State of Colorado, United States of America.

### ***THE OFFERING***

Issuer: Katasi, Inc. is a Colorado corporation (the “Company”).

Investors: \_\_\_\_\_ and potential co-investors (collectively, the “Investors”).

Securities: Common Shares (the “Shares”).

Price: The investment is to be made based upon a fully-diluted, as-converted pre-money valuation of US\$20,000,000 (including all outstanding equity, employee options issued, outstanding convertible notes, and authorized but as yet unissued employee options), representing a price per Share of \$8.40

Amount of the offering: US\$3,000,000

Capitalization: The Company’s capital structure before and after the Closing is set forth on **Exhibit A**,

Use of Proceeds The Company intends to use the proceeds of this offering for execution of product pilots, development of strategic Telco partnerships, commercial deployment of product and operating capital.

### ***Corporate Governance***

Share Terms: The Company is a Subsection C Corporation registered in the state of Colorado, United States and shall be governed as outlined by the Company’s Bylaws dated June 1, 2015 (as set forth on **Exhibit B**)

Board: At the closing, the Board shall consist of 5 members.

### ***OTHER MATTERS***

Counsel and expenses: Company counsel to draft primary transaction documents. Company and Investors to pay all of their respective legal costs of the financing at closing.

Expiration: This Term Sheet expires on December 31, 2015 if not accepted by the Company by that date.

*(Signature Page to Follow)*

EXECUTED THIS \_\_ DAY OF \_\_\_\_\_, \_\_\_\_\_

KATASI, INC.

By: \_\_\_\_\_  
Name: Scott Tibbitts  
Title: CEO

INVESTORS

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

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