

WISE OWL HOLDINGS LLC

February 23, 2015

SUMMARY OF INDICATIVE TERMS AND CONDITIONS

STRICTLY PRIVATE AND CONFIDENTIAL

This Summary of Indicative Terms and Conditions is provided for discussion purposes only and does not constitute a commitment. It does not include descriptions of all of the terms, conditions and other provisions contained in the Subscription Agreement and the Operating Agreement (each, as hereinafter defined) relating to the transactions described herein and is not intended to constitute an agreement or a binding expression of intention.

Company:	Wise Owl Holdings LLC, a New York limited liability company (the " <u>Company</u> ").
Managing Member:	JRR-ML LLC (the " <u>Managing Member</u> "), an entity owned by Jennie Ripps and Maria Littlefield (the " <u>Founders</u> ").
Company's Business:	<p>The Company conducts business as a developer, marketer, distributor and seller of tea and tea crafted for cocktails under the "Owl's Brew" and "Brew Lab Tea" trade names and such other trade names as the Company adopts from time to time (the "<u>Company Business</u>").</p> <p>The Company is a holding company which owns (1) a 99% interest in Ti Beverages, LLC, a New York limited liability company focused predominantly on the "Owl's Brew" brand and (2) a 99% interest in The Tea Lab, LLC, a New York limited liability company focused on the "Brew Lab Tea" brand (each, a "<u>Subsidiary</u>").</p>
Price Per Unit:	\$1.25 per Unit. The Company's price per Unit is calculated based upon the Company's issued and outstanding ownership Units (" <u>Units</u> ") and vested Equity Incentive Units (as hereinafter defined).
Pre-Money Valuation:	The price per Unit is based upon a \$5,000,000 pre-money valuation of the Company.
Offering:	<p>The Company intends to issue and sell up to 800,000 common Units to a limited number of third parties (each, an "<u>Investor</u>"), for the purpose of raising up to \$1,000,000 (the "<u>Offering</u>").</p> <p>In connection with, and as a part of, the Offering, and assuming \$500,000 is raised in this Offering, the Company will issue Units to existing holders of convertible promissory notes (the "<u>Notes</u>"), which common Units will be issued at a discounted rate of 80% of the per Unit price being sold in the Offering (i.e., \$1.00 per Unit) and shall be based off of the aggregate principal amount of \$315,000 and the aggregate amount of interest accrued thereon (such aggregate interest amount to be calculated in accordance with the terms of the Notes on the date of conversion).</p> <p>Notwithstanding anything to the contrary herein, the Company may elect to increase or decrease the Offering amount to be raised from time to time, at the discretion of the Company's Managing Member.</p> <p>The Offering will (i) only be open to "accredited investors", and (ii) be made on a rolling, "no minimum" basis.</p>

Company Ownership: Prior to the Offering, the issued and outstanding Units of the Company shall be owned as follows:

Pre-Offering		
Member	Units	Percentage Ownership
Managing Member	1,895,230	47.41%
Other Members	2,084,749	52.15%
Vested Incentive Equity	17,775	0.44%
Total Issued Units:	3,997,754	100%

After completion of the Offering (assuming 800,000 Units are sold), the issued and outstanding Units of the Company shall be owned as follows:

Post-Offering		
Member	Units	Percentage Ownership
Managing Member	1,895,230	37.07%
Other Members	2,084,749	40.78%
Vested Incentive Equity	17,775	0.35%
Common Units (Converted from \$315,000 Bridge Loan) ¹ :	315,000	6.16%
Common Units (Newly Issued \$1,000,000)	800,000	15.65%
Total Issued Units:	5,112,754	100%

Minimum Investment: The minimum investment for each Investor shall be \$50,000; provided, however, the Company may waive this condition, on a case-by-case basis, at the discretion of the Managing Member.

Use of Proceeds: The proceeds of this Offering shall be utilized for the working capital needs of the Company and for the payment of closing and related expenses.

Additional Agreements: In conjunction with its participation in this Offering, each Investor shall execute and agree to be bound by the provisions of: (i) a Subscription Agreement (the "Subscription Agreement") and (ii) the Company's Operating Agreement (the "Operating Agreement").

Summary of Operating Agreement: The following briefly summarizes some of the indicative provisions of the Operating Agreement. The following is a summary only, qualified in its entirety by reference to the Operating Agreement, which will be provided to each individual who expresses interest in this Offering.

Management of Company: The Company shall be managed by the Managing Member. The Managing Member shall make all material decisions with respect to the Company. The Founders shall be responsible for all day-to-day operations of the Company.

¹ Note: This contemplates the conversion of principal only; the accrued interest on the Notes shall be calculated as of the date of conversion and shall convert at the same per Unit price as the principal balance on the Notes (i.e., \$1.00 per Unit)

Advisory Board:	The Managing Member has the right, but not the obligation, to create an advisory board, the recommendations of which shall not be binding on the Managing Member.
Distributions to Members:	Distributions of the net cash flow from the Company Business, if any, will be made to the Members in accordance with their respective membership interest percentages, as decided from time to time by the Managing Member. As an advance against such distributions, the Managing Member may cause the Company to make a tax distribution to the Members at the assumed applicable combined Federal, State and local income tax rate. The Company has no current intention of making any distributions to the Members, other than tax distributions.
Equity Incentive Plan:	The Company shall initially reserve 900,000 Units (" <u>Equity Incentive Units</u> "), which shall represent 15% of the Company's issued and outstanding securities, on a fully diluted basis, following the completion of the Offering (i.e. post-closing) for the purpose of issuance of options, profits interests and other securities to employees, officers, consultants and other third parties and the Company may adopt an equity incentive plan to account for the administration thereof (the " <u>Equity Incentive Plan</u> "). The Equity Incentive Units reserved for issuance in accordance with the preceding sentence may be increased from time to time, at the Managing Member's discretion. For the avoidance of doubt, the Equity Incentive Units may be granted in the Company or in a Subsidiary, at the Managing Member's discretion. As of the date hereof, (i) 100,000 Equity Incentive Units in Wise Owl Holdings LLC have been issued to third parties, (ii) 130,000 Equity Incentive Units in Ti Beverages, LLC have been issued to third parties and (iii) 670,000 Equity Incentive Units are available for issuance in the Company or in a Subsidiary.
Preemptive Rights:	Prior to any private issuance of Units to third parties, the Company shall (subject to certain material exclusions, as set forth in the Operating Agreement) offer all Members of the Company the opportunity to purchase up to their pro rata portion of such new issuance.
Transfers; Bring-Along Rights; Tag Along Rights; Right of First Refusal:	<p>In the event that both of the Managing Member and the Members of the Company, who along with the Managing Member, represent more than 50% of the outstanding Units of the Company (the "<u>Selling Members</u>"), propose to sell or otherwise dispose of all of the Units then owned by such Selling Members to a third-party buyer, then, the remaining Members of the Company (the "<u>Minority Members</u>") will, at the election of such Selling Members, also sell or otherwise dispose of their Units pursuant to the terms and conditions negotiated by the Selling Members for the sale or other disposition of their Units; <u>provided, however</u>, that the terms and conditions (including the price per Unit and form of consideration) for such sale will be no less favorable to the Minority Members than to the Selling Members.</p> <p>In the event any Member desires to sell its Units in a bona fide transaction, then, the Company (and/or the Company's designee) will have the right of first refusal to acquire such Units for the price contained in the bona fide offer (subject to limited exceptions).</p> <p>In the event any Member proposes to sell or transfer any of its Units, then, the other Members of the Company shall have the right to "tag along" with such proposed sale, pro rata, in accordance with their respective membership interest percentages (subject to limited exceptions).</p>

Non-Compete:	For as long as any Member shall be a Member of the Company and for a period of one (1) year thereafter (the "Restriction Period"), neither such Member nor any of its officers, directors, shareholders, partners, members, managers, agents, employees and Affiliates may (i) start a company whose primary business is the distribution, marketing or sale of tea cocktail mixers or (ii) become majority owners in, a company whose primary business is the distribution, marketing or sale of loose tea or custom (bespoke) tea blends, or tea-based beverages. The restrictions in this section shall not apply to ownership of publicly traded companies which sell products that are competitive with products sold by the Company. The Managing Member may waive this provision on a case-by-case basis.
Intellectual Property:	All trademarks, copyrights, know-how and other intellectual or proprietary property, if any, developed in connection with the Company Business shall be the sole and exclusive property of the Company.
Confidentiality Agreement:	During such time as any Investor is a Member of the Company and thereafter, all information related to the Company or the Company Business which is disclosed by the Company to such Investor shall be kept confidential by the Investor.

THE DESCRIPTIONS SET FORTH IN THIS SUMMARY OF INDICATIVE TERMS AND CONDITIONS ARE SUBJECT TO, AND QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO, THE SUBSCRIPTION AGREEMENT AND THE OPERATING AGREEMENT, AS APPLICABLE. PRIOR TO CONSUMMATING THE PURCHASE OF ANY UNITS IN THIS OFFERING, EACH POTENTIAL INVESTOR IN THE COMPANY MUST AGREE TO BE BOUND TO THE TERMS AND CONDITIONS OF THE SUBSCRIPTION AGREEMENT AND OPERATING AGREEMENT. EACH INVESTOR SHOULD REVIEW EACH OF THE OPERATING AGREEMENT AND THE SUBSCRIPTION AGREEMENT IN THEIR ENTIRETY, AND CONSULT WITH HIS, HER OR ITS LEGAL COUNSEL, ACCOUNTANT AND TAX ADVISORS, PRIOR TO DETERMINING WHETHER THIS OFFERING IS A SUITABLE INVESTMENT.