

WANNADO, INC.

MEMORANDUM OF TERMS SERIES A-1 PREFERRED STOCK FINANCING

This memorandum summarizes the principal terms proposed by Wannado, Inc., a Tennessee corporation (the “**Company**”), with respect to a private placement of its Series A-1 preferred stock.

Proposed Private Placement

The Company proposes a private placement of shares of Series A-1 preferred stock, with attached Warrants for the purchase of Common Stock, to a limited number of “accredited” investors on the following terms:

Number of Series A-1 Shares Offered: Up to 75,000 shares.

Price Per Series A-1 Share: \$10.00 (the “Original Purchase Price”).

Warrants: Each Investor will receive additional Warrants for an equal number of shares of Common Stock of the Company, at an exercise price of \$.01 per share. Warrants may be exercised within 30 days of issue.

Company Right of First Refusal: All Common Stock of the Company is subject to a right of first refusal by the Company in the event that the Holder desires to sell or otherwise transfer such shares.

Total Amount of Offering: Up to \$750,000.

Offering Subject to Preemptive Rights: Pursuant to the terms of their Stock Subscription Agreements with the Company, existing holders of Series A Preferred Stock have preemptive rights to participate in this new investment offering up to their *pro rata* share. Accordingly, Series A holders are being given Notice of this offering and those rights. Series A holders have 15 days from the giving of such notice to inform the Company of their participation and the quantity of equities to be purchased.

Dividends: The holders of the Series A-1 shall be entitled to participate to the same extent (on a per share basis) as dividends paid on the Common Stock. Dividends are payable only when, as, and if declared by the Board of Directors.

Redemption The Series A-1 Preferred may be redeemed at any time by vote of the Board of Directors.

Non-Convertible: The Series A-1 Preferred are not convertible into any other form of equity securities.

Liquidation Preference: In the event of any redemption, liquidation or winding up of the Company, the holders of Series A-1 shall be entitled to receive in preference to the holders of the Common Stock and other Preferred Stock a per share amount equal to the sum of (i) the Original Purchase Price multiplied by a factor of three (3), and (ii) any declared but unpaid dividends, calculated as of the liquidation or winding up (the "**Liquidation Preference**"). After the payment of this Liquidation Preference, Series A-1 shall be extinguished or deemed to have been redeemed, and the remaining assets of the Company shall be distributed to the holders of the other Preferred securities (if any remain unconverted), and then to the holders of Common Stock on a pro-rata basis. A consolidation, merger, acquisition, sale of voting control, or sale of all or substantially all of the assets of the Company in which the stockholders of the Company do not own a majority of the outstanding shares of the surviving corporation, shall be deemed to be a liquidation or winding up for purposes of the Liquidation Preference.

Board of Directors: The size of the Company's Board of Directors is set by the Company's Charter at a minimum of 3 members up to a maximum of 5 members and is comprised of (i) one representative chosen by the Series A investors, and (ii) the remainder of the representatives to be chosen by the holders of the Common Stock voting as a separate class. This offering does not affect the Board's composition or its selection.

Voting Rights: Holders of Series A-1 will have no voting rights.

Protective Provisions: Pursuant to the Charter, the consent of at least a majority of the Series Preferred (including A and A-1) is required for any amendment to the Certificate of Incorporation which adversely affects the rights, preferences, or privileges of any Series Preferred.

Investor Rights: Upon the closing of an additional financing round pursuant to which the company grants customary investors rights, the holders of Series A-1 shares shall be made parties to any investors rights agreement (or similar agreement providing for information, voting, registration, preemptive or similar rights); provided that each Series A-1 Holder must execute such agreement and be subject to the terms of such agreement, and such agreement shall terminate following the company's closing of additional equity investments of more than \$750,000 (a "Qualified Financing").

Information Rights: The Company shall provide in a reasonable time to each Investor annual financial statements.

Expenses: Each party shall bear their own costs and expenses.

The investment shall be made pursuant to a subscription agreement and other documentation reasonably acceptable to the Company and the investors. The term sheet is not legally binding on any parties and is subject to the satisfactory completion of due diligence and the execution of mutually agreed upon definitive documents.