

TERM SHEET

(FOR DISCUSSION PURPOSES ONLY – NOT A COMMITMENT BY SELLER)

Parties: Successful Start Learning Center (or related entity to be determined) (Buyer) and Charlotte-Mecklenburg Historic Landmarks Commission (Seller).

Guarantors: Tyson Bates and Regina Church-Bates.

Property: Torrence-Lytle School, 302 Holbrooks Road, Huntersville, North Carolina.

Purchase Price: Expenditures on the Property by the Seller as of the Closing Date (Current amount is \$409,296.26).

Feasibility

Period: 45 days following execution of the Purchase Contract.

Closing Date: 20 days after the end of the Feasibility Period.

Terms:

1. Property sold "AS IS".
2. \$5,000 Earnest Money Deposit shall be provided by Buyer upon execution of Purchase Contract.
3. Buyer shall provide a first Lien on Property in favor of Seller
4. Buyer shall execute documents containing Seller's standard preservation covenants at Closing Date (copy attached).
5. At the time of the transfer from Seller to Buyer, Buyer shall execute Reconveyance Deed transferring the property back to Seller upon occurrence of default without any encumbrances, further in the event the Buyer does not have financing in place by 12 noon on the 150th day following transfer of Property from Seller to Buyer, the Buyer authorizes unconditionally that Seller may record the reconveyance deed transferring the Property back to Seller
6. No real estate commission shall be owed by Seller or Buyer.
7. Buyer has received and acknowledges they have been provided copies of all seller held inspection reports, title policies, surveys and environmental findings and abatement reports.

On Closing Date:

1. Payment by Buyer of \$40,000 (Earnest Money Deposit to be applied).
2. Execution by Buyer of following documents:
 - a. Promissory Note to Seller for remainder of Purchase Price (estimate of \$369,296.26):
 - i. Bearing no interest;
 - ii. Having a maturity date 120 days after the Closing Date
 - iii. Allowing for one extension of 30 days upon payment of non-refundable \$5,000 fee provided there are no events of default;
 - b. First Lien on Property in favor of Seller;
 - c. Buyer will execute a loan agreement containing all the terms and conditions surrounding this transaction and the Seller's first lien on the Property
 - d. Seller's standard preservation covenants;
 - e. Reconveyance Deed in favor of Seller;
 - f. Personal Guarantees
 - g. Other documents customary for this type of transaction.

Information to be Provided:

1. Buyer to provide the following information to Seller no later than 20 days following the signing of the Purchase Contract:
 - a. A list, with names and addresses, of all persons who will be involved in the operation, development and ownership of this facility; and,
 - b. A copy of the business pro forma with projected cash flows, net revenues and taxes including financial statements to demonstrate the company's financial viability for the facility over the next 3 years; and,
 - c. It is the understanding of the Seller that the Buyer will utilize the Property as an educational school; Buyer shall provide a list of all prospective costs to prepare the Property for use as a school; Buyer shall provide a preliminary schedule for completion of all construction and renovation of the Property; Buyer shall provide information concerning source of funds for purchase, construction and renovation of the Property; and,
 - d. Buyer shall provide CPA prepared P&L statements and whatever other financial information requested, to Seller for the last three (3) years of their current educational business; and,
 - e. Guarantors shall provide personal financial statements for the year ending December 31, 2018; and
 - f. A copy of any schematic plans and drawings for the proposed educational school.

Seller, in its sole and absolute discretion, shall be satisfied with the above provided documentation and approval of the above provided documentation. Such satisfaction and approval shall be communicated to the Buyers within Thirty (20) days receipt of such documentation.

2. No later than 90 days after Closing, Buyer to provide copies of term sheets and commitment letters provided by lenders, investors or others showing the availability of sufficient funding to rehabilitate and improve the Property for use as a school.

Seller, in its sole and absolute discretion, shall be satisfied with the above provided term sheets and commitment letters and approval of the above provided documents. Such satisfaction and approval shall be communicated to the Buyers within Thirty (30) days receipt of such documentation.

Failure to Pay Balance of Note:

If Buyer fails to comply with any terms of the Offer to Purchase and Contract to be prepared, the Loan Agreement or Promissory Note, Seller may exercise its remedies including filing of the Reconveyance Deed of Trust. Following filing of such note, the Seller shall return the \$40,000 paid by Seller at Closing after deducting any expenses.

NOTE: This term sheet is provided for discussion purposes only and is not a binding commitment of the Seller. The parties agree that an Offer to Purchase and Contract and Loan Agreement must be entered into twenty-one (21) days from the date this Term Sheet

Tyson Bates

Date

Regina Bates

Date