PEARLSFIELD
ENTERPRISES

TERM SHEET

7 High St, Digbeth, Birmingham.

TERM SHEET FOR THE INTEREST FREE ACQUISITION OF APARTMENTS

1.	Agree off-plan purchase price	£380,000
2.	Purchase shareholding in DevCo – with 10% deposit	£38,000
3.	Sign agreement for lease (exchange) and contract that sets out the principles of the model.	
4.	Pay monthly instalments 18 months equivalent of 40% of the purchase price total £152,000.00	£8,444.44
5.	Balance to pay at the time the construction is completed.	£190,000
6.	Transfer the completed flat into an SPV. This SPV shall have 240 shares. 120 shares owned by the purchaser and 120 shares owned by the DevCo. Register charge on real estate for the balance in favour of the DevCo. Every month the purchaser will purchase 1 share. The share registration shall be on an annual basis so on the anniversary of the 1st instalment 12 shares shall be registered. The outstanding balance shall be reduced by the value of the shares for example £190,000 - £19,000 to £171,000	
7.	Purchase the DevCo in 120 monthly instalments at £1,583.33 per month. At the end of 120 months the purchaser owns all of the 240 shares of the SPV that owns the flat.	£190,000
8.	The company that owns the flat is now entirely owned by the Buyer.	
9.	The buyer can sell the real estate at any time after handover for a higher value. In this case the developer will only be entitled to the sum owed to the developer at that time. The full benefit of the uplift and profit of the sale will be retained by the buyer.	