

EXHIBIT A

19-378

COUNTY OF SUMMIT  
AND  
ZULIA DEVELOPMENT, INC.  
AND  
SUMMIT COUNTY LAND REUTILIZATION CORPORATION

TERM SHEET  
FOR  
THE PURCHASE AND SALE OF

150 E. SOUTH STREET, AKRON, OHIO 44311

- Purpose:** The purpose of this term sheet ("Term Sheet") is to provide the framework of a transaction whereby the County of Summit, Ohio ("County") will sell to the Summit County Land Reutilization Corporation ("Land Bank") certain real property as further described herein ("Property"). Contemporaneously, the Land Bank will then sell the Property to Zulia Development, Inc. or its assignee ("Zulia") and Zulia may finance the purchase price either through private financing or financing offered through the County. This Term Sheet is an indication of the good faith intent of the parties to negotiate the terms of simultaneous real estate purchase agreements ("Sales Agreement") upon the terms as further described herein.
- Property Description:** The County is the owner of record of the Property, which is described as Parcel Number 6842394, having an address at 150 East South Street, Akron, Ohio 44311.
- Sale of Property:** The County and the Land Bank will enter into a Sales Agreement whereby the County shall agree to sell the Property to the Land Bank in "as-is" condition by limited warranty deed. Contemporaneously, the Land Bank and Zulia shall enter into a separate Sales Agreement whereby the Land Bank shall agree to sell and Zulia shall agree to purchase the Property in "as-is" condition by limited warranty deed and the County will transfer the deed with marketable title and no liens or encumbrances except those encumbrances of record.
- Purchase Price:** The purchase price for the Property is Two Hundred Eighty Five Thousand Dollars (\$285,000). If private financing is obtained, then Zulia shall pay the entire purchase price in cash on the closing date. If the County provides financing, then the purchase price shall be paid pursuant to a loan agreement and promissory note and secured by a mortgage as set forth below.
- Loan Agreement, Note And Mortgage:** At the closing, if private financing is not obtained, Zulia will deliver to the County a promissory note and loan agreement to secure payment

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of the purchase price. The promissory note from Zulia payable to the County shall be in the amount of Two Hundred Eighty Five Thousand Dollars (\$285,000) for a term of ten (10) years, with interest at a rate of four percent (4%) per annum on the unpaid balance, payable in twenty equal semi-annual installments. Pursuant to the terms of the promissory note and loan agreement, Zulia agrees to pay the County semi-annually the principal and interest in the amount equal to Seventeen Thousand Four Hundred Twenty Nine Dollars and Sixty Six Cents (\$17,429.66) until paid in full as provided on the Amortization Schedule attached and incorporated herein by reference as Exhibit A. The first payment due under the loan agreement and note shall be paid to the County at Closing.

The loan agreement and promissory note will be secured by a first lien mortgage against the Property for the benefit of the County and shall be delivered by Zulia to the County at closing. The mortgage shall give the County a first lien priority mortgage on the Property and have priority over all other liens except real estate taxes and assessments. The loan agreement and mortgage will contain provisions requiring Zulia to remain current with the payment of real estate taxes and assessments due on the Property and any other real property owned by Zulia and any affiliated company in Summit County.

### **Closing:**

Closing will occur on a date mutually agreed to by the parties and is conditioned upon Zulia obtaining certain access easements and the required permits and approvals for a fire suppression system as follows:

### **Easement:**

County, at its own expense and prior to the closing date, shall use its best efforts to obtain an access easement on the adjacent parcel identified as Parcel Number 6763040, having an address at 180 East South Street, Akron, Ohio 44311 ("180 E. South Parcel") described as follows: The owner of the Property and its successors and assigns, shall be granted a non-exclusive permanent easement and perpetual right of way to be used by the Property owner, its officers, employees, agents, tenants, licensees, invitees, customers, business visitors and guests as follows: (i) pedestrian and vehicular (including semi-truck) ingress and egress over, along and on the portion of the 180 E. South Parcel to access the dock door on the Property, to grant unobstructed access for semi-trucks to drive forward and then back into the dock door on the Property, and the use of eight (8) parking spaces located east of the Property on the 180 E. South Parcel as depicted on Exhibit B attached and incorporated by reference; and (ii) any new construction on the 180 E. South Parcel shall maintain a ten (10) foot setback from the Property and not impact access to the Property.

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The Property owner shall keep the land over which the easement will run reasonably maintained, repaired and snow plowed. The Property owner, its successors and assigns, shall hold harmless, indemnify and defend the owner of the 180 E. South Parcel, its successors and assigns against any and all claims, liabilities, actions, costs and expenses, including reasonable attorney fees arising from the use of the easement on the 180 E. South Parcel by the Property owner, its successors and assigns, and their respective agents, employees, contractors, subcontractors, licensees, invitees, tenants and customers. If the warehouse building having the dock door located on the Property as of the date the easement is recorded is removed and a replacement warehouse can be built with the same size or larger dock door accessing Adeline Street or Abel Street, in accordance with all legal and local laws including but not limited to zoning regulations, then the easement shall terminate.

If the County is unable to obtain the easements as described above, then Zulia may terminate the transaction prior to the closing date pursuant to the due diligence provisions of the Sales Agreement.

### Fire Suppression System:

As a condition of purchasing the Property, Zulia must be able to secure all required permits and approvals for the installation of a suitable fire suppression system for the Property. If Zulia is unable to obtain the required permits and zoning approvals from the applicable governmental authority to install the required fire suppression system for the Property, then Zulia may terminate the sales transaction prior to the closing date pursuant to the due diligence provisions of the Sales Agreement.

**Inspection and Access:** Upon execution of the Sales Agreements and pending the closing, the County shall provide access to the Property to Zulia and its agents to conduct surveys, inspections, testing and examinations. Zulia shall indemnify the County from any loss or damage arising from Zulia and its agents entry onto the Property.

**Broker's Fees:** Zulia shall solely be responsible for the payment of any broker's fees related to the purchase of the Property by Zulia or any of its assigns including the payment of a real estate commission of five percent (5%) of the purchase price being an amount not to exceed Fourteen Thousand Two Hundred Fifty Dollars (\$14,250) to RG Smith Realty, Inc. Zulia represents and warrants that no other broker was involved in this matter. The County and the Land Bank have not engaged the services of any broker and will not pay any broker's fees related to this matter.

**Closing Costs:** Zulia shall pay for the following closing costs and expenses: (a) costs and fees for the title commitment and the title policy; (b) all of the

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escrow fee; (c) surveys, inspections, testing and examinations obtained by Zulia; (d) Zulia's financing; (e) Zulia's legal fees; and (f) Zulia's broker fees. The County shall pay for the following costs and expenses: (a) all recording fees for the deeds; (b) real property transfer taxes and conveyance fees, if any; (c) an EPA Phase I environmental inspection; and (d) Land Bank's transaction fee in the amount of Three Thousand Dollars (\$3,000). The costs for the real property taxes, if any, general and special real estate tax assessments and the costs for sewer, water and other utilities shall be prorated between the County and Zulia as of the closing date.

**Assignment:**

Zulia may assign its rights under this Term Sheet and the Sales Agreement to any corporation, partnership or limited liability company in which Zulia is the controlling party or to any third party without the consent of the County as long as the Property is not to be used as an adult bookstore, nightclub or discotheque, massage parlor, or any other establishment which provides live adult entertainment or which sells, rents or exhibits pornographic or obscene materials, a blood bank, abortion clinic, bingo parlor, off track betting business (except that the sale of state lottery tickets is not prohibited or restricted), an adult or nude dance club or similar facility, carnival, flea market, pawn shop, a drive-through business selling alcohol for consumption off premises use or sale of marijuana, hookah bar or a store selling fire arms or ammunition. Notwithstanding the foregoing, the Sales Agreement will contain a provision that if Zulia assigns its interest to a third party wherein it is not the controlling party, then that third party shall not have any right to finance the transaction through the loan agreement with the County, and it must provide cash or private financing at the Closing.

**Contact Information:**

County of Summit  
Brian Nelsen, Chief of Staff  
175 S. Main St., Executive's Office, 8<sup>th</sup> Floor, Akron, Ohio

Summit County Land Reutilization Corporation  
Patrick Bravo, Executive Director  
1180 S. Main Street, Suite 230, Akron, Ohio 44301

Zulia Development, Inc.  
Sam Zulia, President  
2170 Romig Rd., Akron, Ohio 44320

**General:**

All parties will be responsible for their own legal fees associated with this transaction.

County shall use its best efforts to contact the City of Akron to make any necessary repairs or replacements for manhole covers located at the corner of E. South Street, Adeline Street and Abel Street.

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Upon the execution of the Sales Agreements and in accordance with the due diligence provisions therein, the County and/or the Land Bank, at the County's sole cost, shall obtain an EPA Phase I environmental report for the Property and timely provide a copy to Zulia, along with any other environmental reports the County may have in its possession. Thereafter, Zulia at its sole cost, may obtain any further investigations and testing it deems necessary in accordance with the due diligence provisions of the Sales Agreement.

The Sales Agreements will have other terms and provisions that are customary for commercial real estate purchase agreements in the Akron, Ohio area.

This Term Sheet is not intended to be binding on the parties and nothing contained herein will be binding unless and until incorporated into formal agreements and agreed to by the parties in writing.

The Summit County Executive has the authority to sign this non-binding Term Sheet and will seek the approval of the Summit County Council to execute all agreements and other documents necessary to consummate the transactions outlined in the Term Sheet upon terms consistent with those set forth herein. Summit County Council shall have the sole discretion to approve and authorize the Executive to execute all agreements and other documents necessary to consummate the transactions outlined in this Term Sheet.

The Executive Director of the Summit County Land Reutilization Corporation has the authority to sign this non-binding Term Sheet and will obtain the approval of the Board of Directors to execute all agreements and other documents necessary to consummate the transactions outlined in the Term Sheet upon terms consistent with those set forth herein.

This Term Sheet is effective as of the date signed by the County Executive.

COUNTY OF SUMMIT, OHIO

SUMMIT COUNTY LAND REUTILIZATION CORPORATION

*[Signature]*  
for Ilene Shapiro, Executive Date *9/11/19*

*[Signature]* Patrick Bravo, Executive Director Date *09/11/19*

ZULIA DEVELOPMENT, INC.

*[Signature]*  
Sam Zulia, President Date *9-9-19*

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### Financing of the Purchase

The County Executive is willing to recommend to County Council that any sale of the building also be accompanied by a financing structure that would allow the purchase to be completed over time. The purchaser would give the County a promissory note in the amount of the purchase price, and the note would be secured by a mortgage on the property. The County Executive is willing to consider financing terms of 10 years, at 4% per annum interest. Below is an amortization summaries assuming semi-annual payments.

#### 10-years, 4% Interest, Semi-Annual Payments

Principal borrowed:	\$285,000.00
Regular Payment amount:	\$17,429.66
Final Balloon Payment:	\$0.00
Interest-only payment:	\$5,700.00
*Total Repaid:	\$348,593.20
*Total Interest Paid:	\$63,593.20
Annual Payments:	2
Total Payments:	20 (10.00 years)
Annual interest rate:	4.00%
Periodic interest rate:	2.0000%
Debt Service Constant:	12.2313%
*Total interest paid as a percentage of Principal:	22.313%

\*These results are estimates which do not account for accumulated error of payments being rounded to the nearest cent.

