

**TERM SHEET**

**SKETCH WORKING ARTS FOR STREET INVOLVED AND HOMELESS YOUTH**

**OFFERING OF SERIES A, SERIES B, SERIES C AND SERIES D SKETCH HOME BONDS**

**FEBRUARY 1, 2020**

SKETCH Working Arts for Street Involved and Homeless Youth is a registered charity engaging young people living homeless or marginalized to experience the transformative power of the arts. The funds raised through this offering will be used to finance the purchase of SKETCH’s home at Artscape Youngplace. These bonds will be on offer to individuals, foundations, charities, corporate businesses and local supporters of the youth arts hub.

This is a summary of the terms of the offering. The Offering Statement should be read before investing as it contains all material facts relating to this investment opportunity.

|                          |  |
|--------------------------|--|
| <b>The Issuer:</b>       | <b>SKETCH Working Arts for Street Involved and Homeless Youth (“SWA”)</b>  |
| <b>The Offering:</b>     | <p><b>Series A SKETCH Home Bonds:</b> 5-year Series A bonds will be offered to any individuals who wish to purchase the bonds</p> <p><b>Series B SKETCH Home Bonds:</b> 7-year Series B bonds will be offered to any individuals, corporations and organizations who wish to purchase the bonds.</p> <p><b>Series C SKETCH Home Bonds:</b> 5-year Series C bonds will be offered to any individuals, corporations and organizations who wish to purchase the bonds.</p> <p><b>Series D SKETCH Home Bonds:</b> 3-year Series D bonds will be offered to any individuals who wish to purchase the bonds.</p> <p>The Series A SKETCH Home Bonds, Series B SKETCH Home Bonds, Series C SKETCH Home Bonds, and Series D SKETCH Home Bonds are collectively defined as the “<b>SKETCH Home Bonds</b>”. Holders of the SKETCH Home Bonds will be defined as “<b>Bondholders</b>”.</p> <p>The offering of SKETCH Home Bonds is referred to as the “<b>Offering</b>” and the period of time that the Offering is available is the “<b>Offering Period</b>”.</p> |
| <b>Maximum Raise:</b>    | The maximum total to be raised under this Offering is <b>\$1,400,000</b> .   |
| <b>Interest Rate:</b>    | <p><b>Series A SKETCH Home Bonds</b> shall earn an interest rate of 4 percent per annum</p> <p><b>Series B SKETCH Home Bonds</b> shall earn an interest rate of 4.5 percent per annum</p> <p><b>Series C SKETCH Home Bonds</b> shall earn an interest rate of 4 percent per annum</p> <p><b>Series D SKETCH Home Bonds</b> shall earn an interest rate of 3 percent per annum</p>  |
| <b>Minimum Offering:</b> | There is no minimum Aggregate Offering.  |

|                              |   |
|------------------------------|---|
| <b>Minimum Investment</b>    | <p>The minimum investment in <b>Series A SKETCH Home Bonds</b> is \$10,000.</p> <p>The minimum investment in <b>Series B SKETCH Home Bonds</b> is \$25,000.</p> <p>The minimum investment in <b>Series C SKETCH Home Bonds</b> is \$50,000.</p> <p>The minimum investment in <b>Series D SKETCH Home Bonds</b> is \$1,000.</p>  |
| <b>Opening Date:</b>         | The Offering Period shall start on <b>February 1, 2020</b> .  |
| <b>Closing Date:</b>         | The Offering Period shall close on <b>June 30, 2020</b> unless the Maximum Aggregate raise has been reached prior to that date.   |
| <b>Summary of Features:</b>  | <p>The <b>SKETCH Home Bonds</b> are structured as interest bearing debentures. Their main features include:</p> <p><b>Investor eligibility:</b> This investment is available to any Canadian investor.</p> <p><b>Redemption:</b> The SKETCH Home Bonds will be non-redeemable during the term except in extraordinary circumstances and with the approval of SWA Board.</p> <p><b>Early Repayment:</b> SWA has the right to repay SKETCH Home Bonds before their maturity date. This is not forecast in the 5-year plan.</p> <p><b>No market:</b> There is no established market for the SKETCH Home Bonds. The SKETCH Home Bonds will be restricted securities and may only be transferred to another SWA investor with approval of the SWA Board.</p> <p><b>Risk Factors:</b> The investment is subject to risks, including those outlined below.</p>   |
| <b>Bondholder Security:</b>  | The SKETCH Home Bonds issued under this offering statement are secured by charges registered on all of the units and equipment owned by SWA. No changes in the security can be made without the bondholders' consent by vote as set out in the Trust Agreement.   |
| <b>Use of Proceeds:</b>      | Proceeds of the Offering will be used to fund the purchase of SWA's facility located at Artscape Youngplace, 180 Shaw Street, Suite 201, Toronto, ON M6J 2W5 .  |
| <b>Financial Statements:</b> | SWA will provide Audited Financial Statements and Auditor's Report each year.   |
| <b>Interest Payments:</b>    | <p>Interest earned on <b>Series A SKETCH Home Bonds</b> shall be accrued and <b>paid annually</b> each year for the term of the bond. Interest is accrued from <b>January 1st</b> until <b>December 31st</b> of each year. Interest payments will be made on or prior to <b>December 31st</b> each calendar year. At the request of the Bondholder, interest paid annually will be directed to SKETCH Working Arts as a <b>charitable donation</b></p> <p>Interest earned on <b>Series B SKETCH Home Bonds</b> shall be accrued and <b>paid annually</b> each year for the term of the bond. Interest is accrued from <b>January 1st</b> until <b>December 31st</b> of each year. Interest payments will be made two weeks after <b>December 31st</b> in the following calendar year.</p> <p>Interest earned on <b>Series C SKETCH Home Bonds</b> shall be accrued and <b>paid annually</b> each year for the term of the bond. Interest is accrued from <b>January 1st</b> until <b>December 31st</b>. Interest payments will be made two weeks after <b>December 31st</b> in the following calendar year.</p> <p>Interest earned on <b>Series D SKETCH Home Bonds</b> shall be accrued and <b>paid annually</b> each year for the term of the bond. Interest is accrued from <b>January 1st</b> until <b>December</b></p> |

|                                  |   |
|----------------------------------|---|
|                                  | <p><b>31st.</b> Interest payments will be made two weeks after <b>December 31st</b> in the following calendar year.</p> <p><b>For the initial payment the interest will be accrued daily from the date of Bond purchase to December 31st, 2020.</b> Interest payments will be made by Direct Electronic Funds Transfer.</p> |
| <b>Capital Repayment:</b>        | Repayment of each <b>SKETCH Home Bond</b> shall be due upon maturity.   |
| <b>SWA Board of Directors:</b>   | The Board of Directors of SWA is comprised of 13 elected Directors and 1 Honorary Director. The names of all Directors, their biographies and contact information is available on the SWA website.  |
| <b>Registrar/Transfer Agent:</b> | SWA will act as its own registrar and transfer agent in respect of the securities offered for sale.   |
| <b>Trustee:</b>                  | Brian Iler - 150 John Street, Seventh Floor, Toronto, Ontario M5V 3E3   |
| <b>Bond Renewals:</b>            | At the end of the term of each of the SKETCH Home Bonds, the option to renew for another term may be offered to Bondholders at the discretion of the SWA Board. In that event, renewal interest rates will be set according to market conditions.   |
| <b>Ranking:</b>                  | All SKETCH Home Bonds will rank equally with each other, but will rank third to the senior mortgage lender and Artscape acting as a mortgage lender via vendor take-back mortgage.  |
| <b>Dissolution:</b>              | In the event of the dissolution or liquidation of SWA, the Bondholders shall be entitled to be paid, after the retirement of the senior debt, the amount of principal outstanding, plus any interest earned but unpaid.   |
| <b>Risks:</b>                    | This type of investment has substantial risk. Investors should make an investment only if you are prepared not to receive any return on your investment and to lose your investment in its entirety.  |
| <b>Transparency:</b>             | Exempt securities are not subject to the reporting issuer regime, they provide less information to their investors, and the information provided is not subject to the oversight of any regulator.  |
| <b>Liquidity Risk:</b>           | Exempt securities are subject to resale restrictions and there is no market for them. The only means of liquidation is through SWA, and since there is no redemption feature, the investor will not be able to liquidate their SKETCH Home Bonds except in exceptional circumstances, approved by the SWA Board.            |
| <b>Investor Rights:</b>          | Investors in exempt securities are not afforded the same legal rights that are available to investors who purchase prospectus-based investments. There are no statutory rights for damages including any right of rescission, right of withdrawal or secondary market civil liability.                                      |
| <b>Communication:</b>            | SWA will provide all Bondholders with account statements on an annual basis, reports on any material changes and all tax slips necessary for the completion of income tax returns.  |