

**Appendix “A”
Terms and Conditions of Offer to Purchase**

Subject Property: Public highway being untravelled portion of New Crescent located between 697 and 699 Danforth Road, shown as Part 1 on Sketch No. PS-2003-100

Legal Description: Part of PIN 064360580 LT, City of Toronto
Public highway being untravelled portion of New Crescent, Plan 1776, save & except SC101937 and except SC84473 (the “Highway”)

Purchaser: Habitat for Humanity Toronto Inc. (“Habitat”)

Recommended Sale Price: \$ 460,000.00

Deposit: \$17,500.00 (Certified cheque)

Balance: \$52,500.00 payable on closing plus a Vendor Take Back Mortgage in the amount of \$390,000.00 in favour of the City.

Vendor Take Back Mortgage (“VTB”): The principal amount of the VTB is \$390,000.00 and is for a term of 30 months from registration of the VTB;

If Habitat has not completed the affordable housing initiative by the end of the VTB term, then the Principal would become due and payable in full to the City;

The VTB is subject to adjustment as the principal amount of the VTB is based on the Highway being developed into a minimum of seven (7) housing units, and has been calculated based on a down payment to be made to the City of \$10,000.00 per housing unit;

In the event the number of housing units built is greater than seven (7), Habitat will deliver to the City, \$10,000.00 multiplied by the number of housing units over seven (7) that have been built on the Highway prior to requesting the final discharge of the VTB. The Principal shall be adjusted downward prior to discharge of the VTB, to reflect additional housing units the Purchaser has been able to build on the Highway;

The City will partially discharge the VTB upon evidence from Habitat that a Purchase Agreement has been entered into with a Habitat family for a portion of the Highway containing one housing unit, and that the Purchase Agreement provides for a second mortgage (the “Second Mortgage”) in favour of the City;

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The principal amount (the "Family Principal") of the Second Mortgage will be the sum equal to the result obtained by dividing the Principal by the total number of housing units constructed; and

No payments of the Family Principal are due on this Second Mortgage until the land is disposed of by the Habitat family, either by selling, renting, leasing, transferring or vacating the property for any reason at which time the Family Principal is payable in full to the City.

The Second Mortgage is interest free.

Irrevocable Date: July 23, 2010

Closing Date: November 30, 2010

Due Diligence Date: October 30, 2010

Environmental Condition: This offer to purchase is conditional until October 30, 2010 upon Habitat satisfying itself during the Due Diligence Period, at its own expense, with the results of a Phase 1 and Phase II environmental assessment of the Highway.

Habitat shall have the right to terminate this Agreement by notice in writing to the City on or before the expiry of the time set out above in the event that the foregoing condition has not been satisfied. Upon such notice, this Agreement shall be null and void. In the event Habitat does not notify the City within the time so limited, Habitat shall be deemed to have waived this condition. This condition is expressed to be for the sole benefit of the Habitat which Habitat shall have the right to waive, at any time or times.