

Appendix "A"
Main Terms and Conditions

Subject Property:	A portion of 192A Bloor Street West, being that Part of Lot 1 on Registered Plan 289 shown as Parts 1, 2 and 5 on Sketch No. PS-2007-278
Legal Description:	Part of Lot 1, Plan 289
Purchaser:	McDonald's Restaurants of Canada Limited
Recommended Sale Price:	\$3,380,000.00
Deposit:	\$338,000.00
Balance:	Cash or certified cheque on closing, subject to the usual adjustments
Irrevocable date:	February 4, 2008
Closing Date:	February 20, 2008
Due Diligence Period:	5 days following the date on which the Offer is accepted by the City
"As Is" Condition:	Purchaser shall accept the Property in "as is" condition and, on closing, shall execute and deliver a release in favour of the City, in a form satisfactory to the City Solicitor, in respect of all loss, costs, damages, liability or actions relating to the environmental condition of the Property.
Existing Lease:	The Property is subject to an existing 33-year lease between the City and McDonald's. On closing, McDonald's will deliver a partial surrender of the lease as it affects the portion of the site being retained by the City.
Encroachment:	The City shall enter into an encroachment agreement with McDonald's, allowing the existing structure and appurtenances that are currently located within Part 3 on Sketch No. PS-2007-278, to remain for the life of the building.
Restriction on Transfer:	Negotiations were conducted on the basis of McDonald's continuing its current use of the

Property as a McDonald's restaurant. If McDonald's sells the Property within 10 years following closing, or enters into a joint venture during that period, then the City shall be entitled to share of any profit realized by McDonald's on such a disposition, calculated as 50% of the consideration to be received by McDonald's in excess of the current sale price of \$3,380,000.00.