

THIS EASEMENT AGREEMENT made the 14th day
of December 1984.

BETWEEN

MARKHAM VILLAGE LANES INC.
a corporation incorporated under the
laws of the Province of Ontario,

hereinafter called the "Owner"

OF THE FIRST PART;

and -

THE CORPORATION OF THE
TOWN OF MARKHAM

hereinafter called the "Municipality"

OF THE SECOND PART.

WHEREAS the Owner is the owner of certain lands and
premises situated in the Town of Markham, in the Regional Municipality
of York and Province of Ontario, being composed of certain
structures described in Schedule "B" attached hereto
(hereinafter called the "property") situate on the certain
lands and premises, which lands and premises are more
particularly described in Schedule "A" attached hereto.

AND WHEREAS one of the purposes of the Ontario Heritage
Act, R.S.O. 1980, c. 337, is to support, encourage and facilitate the conservation,
protection and preservation of the heritage of Ontario;

AND WHEREAS by section 37(1) of the Ontario Heritage
Act, the Municipality is entitled to enter into agreements, covenants and

easements with owners of real property, or interests therein, for the conservation, protection and preservation of the heritage of Ontario;

AND WHEREAS by section 37(3) of the Ontario Heritage Act, such covenants and easements entered into by the Municipality, when registered in the proper land registry office against the real property affected by them, shall run with the real property and may, whether positive or negative in nature, be enforced by the Municipality or its assignee against the owner or any subsequent owners of the real property, even where the Municipality owns no other land which would be accommodated or benefitted by such covenants and easements;

AND WHEREAS the Owner and the Municipality desire to conserve the present historical, architectural, aesthetic and scenic character and condition of the exterior of the building on the Property (hereinafter called the "Facade");

AND WHEREAS to this end, the Owner and the Municipality desire to enter into this Easement Agreement (hereinafter called the "Agreement");

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the sum of TWO DOLLARS (\$2.00) of lawful money of Canada now paid by the Municipality to the Owner (the receipt of which is hereby acknowledged), and for other valuable consideration, and in further consideration of the granting of the easements herein and in further consideration of the mutual covenants and restrictions hereinafter set forth, the Owner and the Municipality agree to abide by the following covenants, easements and restrictions which shall run with the Property forever.

1.0

Duties Of Owner

1.1

Normal Repairs And Alterations

The Owner shall not, except as hereinafter set forth, without the prior written approval of the Municipality, undertake or permit any

demolition, construction, alteration, remodelling, or any other thing or act which would materially affect the appearance or construction of the Facade as depicted in the copies of the photographs, drawings and other documents attached hereto and incorporated herein as Schedule "B", ~~and in the originals or facsimiles thereof which are filed in, and may be examined at, the Archives of Ontario, wherever they may be from time to time located.~~ The approval required to be obtained from the Municipality herein shall be deemed to have been given upon the failure of the Municipality to respond in writing to a written request for it within sixty (60) days of receiving such request at its address as set out in paragraph 7.1 of this Agreement. If the approval of the Municipality is given or deemed to be given under this paragraph, the Owner, in undertaking or permitting the construction, alteration, remodelling, or other thing or act so approved of or deemed to be approved of, shall use materials specified by the Municipality. The Owner shall be permitted, without the prior written approval of the Municipality, to undertake or permit the repair or refinishing of presently existing parts or elements of the Facade, damage to which has resulted from casualty, loss, deterioration, or wear and tear, provided that such repair or refinishing may not be performed in a manner which would materially affect the construction or appearance of the Facade, as depicted in the copies of photographs, drawings and other documents constituting Schedule "B" to this Agreement ~~and in the originals or facsimiles thereof filed in the Archives of Ontario.~~

1.2

Insurance

The Owner shall at all times during the currency of this Agreement keep the building insured against normal perils that are coverable by fire and extended coverage insurance in an amount equal to the replacement cost of the building. The Owner shall have a form as set out in Schedule "C" attached hereto completed and certified by its insurance company and delivered to the Municipality within three (3) weeks of the execution of this Agreement, and thereafter evidence satisfactory to the Municipality of the renewal of insurance shall be delivered to the Municipality at least three (3) clear days before the termination thereof. If the Owner fails to so insure the building, or if any such insurance on the building is cancelled, the Municipality may effect such insurance as the Municipality reasonably deems necessary and any sum paid in so doing shall forthwith be paid by the Owner to the Municipality, or if not, shall be a debt due

and owing forthwith to the Municipality and recoverable from the Owner by action in a court of law. All proceeds receivable by the Owner under any fire and extended coverage insurance policy or policies on the building shall, on the written demand and in accordance with the requirements of the Municipality, be applied to replacement, rebuilding, restoration or repair of the building to the fullest extent possible having regard to the particular nature of the building, the cost of such work and any existing or subsequent mortgages registered against the title to the Property. The Owner's financial liability to replace, rebuild, restore or repair the building if it has been damaged or destroyed shall not exceed the proceeds receivable by the Owner under any fire and extended coverage insurance policy or policies. In the event that the building is damaged or destroyed and the proceeds receivable by the Owner under any fire and extended coverage insurance policy or policies are insufficient to effect a partial or complete restoration of the Facade the Municipality shall have the privilege, but not the obligation, of contributing additional monies towards the replacement, rebuilding, restoration, or repair costs in order to effect a partial or complete restoration of the Facade, provided that the Municipality shall notify the Owner of the Municipality's intention to do so within forty (40) days after receiving from the Owner, (a) the written request for permission to demolish referred to in paragraph 1.5, or (b) all plans and specifications for the replacement, rebuilding, restoration or repair of the Facade, as the case may be.

1.3 Rights Of Mortgagees

The Owner's obligations to apply all proceeds receivable under any fire and extended coverage insurance policy or policies on the building to replace, rebuild, restore or repair the building shall be subject to the rights of any mortgagees of the Property.

1.4 Assignment Of Interests Of Mortgagees

In the event that any mortgagee refuses to release to the Owner any monies payable under any fire and extended coverage insurance policy or policies after the building has been damaged or destroyed, thereby preventing the Owner from fulfilling its obligation to replace, rebuild, restore or repair the building with the proceeds receivable under any fire and extended coverage insurance policy or policies, the Owner shall use its best efforts, if so requested by

the Municipality, to make whatever arrangements are necessary to allow the Municipality to take an assignment of such mortgagee's interests in the Property, thereby effectively assuring that the proceeds of insurance under any fire and extended coverage insurance policy or policies are made available to the Owner so that such proceeds may be applied by the Owner to replace, rebuild, restore or repair the building pursuant to the provisions of paragraphs 1.2, 1.6 and 1.7.

1.5

Demolition

The Owner shall notify the Municipality of any damage or destruction to the building within ten (10) clear days of such damage or destruction occurring. In the event that the building is damaged or destroyed and the replacement, rebuilding, restoration or repair of it is impractical because of the financial costs involved, or because of the particular nature of the building, or because a mortgagee has refused to release to the Owner any insurance monies payable under any fire and extended coverage insurance policy or policies and the Municipality has been unable to secure an assignment of a mortgage from a mortgagee as described in paragraph 1.4, the Owner may in writing within forty (40) days of the giving by the Owner of notice of such damage or destruction, request written approval of the Municipality to demolish the building, and in the event of receiving the approval in writing of the Municipality, be entitled to retain any proceeds from the insurance hereinbefore mentioned and to demolish the building. Such approval shall be deemed to have been received upon failure of the Municipality to respond in writing to a written request for it within forty (40) days of the receipt thereof.

1.6

Reconstruction By Owner

If the Municipality does not give the approval referred to in paragraph 1.5, or if the Owner has not requested the approval referred to in paragraph 1.5, the Owner shall replace, rebuild, restore or repair the building to the limit of any proceeds receivable under any fire and extended coverage insurance policy or policies on the building and of any additional monies contributed by the Municipality towards the replacement, rebuilding, restoration or repair of the Facade under the provisions of paragraph 1.2 to effect a partial or complete restoration of the building. Before the commencement of such work, the Owner shall submit all plans and specifications for the replacement, rebuilding,

restoration or repair of the Facade to the Municipality for its written approval within one hundred and thirty-five (135) days of the damage or destruction occurring to the building. A refusal by the Municipality to approve any plans and specifications may be based upon choice of materials, unattractive appearance, nonconforming architectural style, or any other ground or grounds, including but not limited to purely aesthetic grounds, and the determination of the Municipality shall be final. The Owner shall not commence or cause restorative work to be commenced on the Facade before receiving the written approval of the Municipality of the plans and specifications for it, and such restorative work shall be performed upon such terms and conditions as the Municipality may stipulate. Such approval shall be deemed to have been received upon failure of the Municipality to respond in writing to a written request for it within thirty (30) days of the receipt of such request by the Municipality. The Owner shall cause all replacement, rebuilding, restoration and repair work on the Facade to be commenced within thirty (30) days of the approval by the Municipality of the plans and specifications for it and to be completed within nine (9) months of commencement, or as soon as possible thereafter if factors beyond its control prevent completion within the said nine (9) months, and the Owner shall cause all such work to conform to the plans and specifications approved of and terms and conditions stipulated by the Municipality.

1.7 Reconstruction By Municipality

In the event that the request to demolish the building is not submitted or is refused pursuant to the provisions of paragraph 1.5 and the Owner fails to submit plans and specifications for the replacement, rebuilding, restoration or repair of the Facade pursuant to paragraph 1.6 which are acceptable to the Municipality within one hundred and thirty-five (135) days of the damage or destruction occurring to the building, the Municipality may prepare its own set of acceptable plans and specifications for the Facade. The Owner shall have thirty (30) days from receiving a copy of such plans and specifications to notify the Municipality in writing that it intends to replace, rebuild, restore or repair the Facade in accordance with those plans and specifications. If the Owner does not so notify the Municipality within the said thirty (30) days, the Municipality may prepare its own set of acceptable plans and specifications for the building and may proceed with replacing, rebuilding, restoring or repairing the building up to the

value of any insurance proceeds receivable by the Owner under any fire and extended coverage insurance policy or policies and of any additional amount that the Municipality is prepared to contribute to effect a partial or complete restoration of the Facade. The Owner shall reimburse the Municipality for any expenses incurred by the Municipality thereby to an amount not to exceed any insurance proceeds receivable by the Owner under any fire and extended coverage insurance policy or policies.

In the event that the Municipality does not submit its own acceptable plans and specifications or does not proceed with replacing, rebuilding, restoring or repairing the building within sixty (60) days after it becomes so entitled, unless it is prevented from so doing by the action or omission of the Owner or any tenant or agent of the Owner or by any other factors beyond its control, the Municipality's rights under this paragraph shall automatically terminate and the Owner shall be entitled to retain the proceeds receivable under any fire and extended coverage insurance policy or policies and to demolish the building.

1.8 Maintenance Of The Building

The Owner shall at all times maintain the building in as good and sound state of repair as a prudent owner would normally do so that no deterioration in the Facade's present condition and appearance shall take place.

1.9 Signs, Structures, Etc.

The Owner shall not erect or permit the erection on the Property or on the Facade of any signs, permanent awnings, television aerials or other similar type objects without the prior written approval of the Municipality. Such approval shall not be unreasonably withheld and shall be given or refused expeditiously by the Municipality.

1.10 No Act Of Waste

The Owner shall not commit or permit any act of waste on the Property. In respect to the subject lands, the Owner shall not, except with the prior written approval of the Municipality,

(a) grant any easement or right of way;

- (b) erect or remove or permit the erection or removal of any building, sign, fence, or other structure of any type whatsoever;
- (c) allow the dumping of soil, rubbish, ashes, garbage, waste or other unsightly, hazardous or offensive materials of any type or description;
- (d) except for the maintenance of existing improvements, allow any changes in the general appearance or topography of the lands, including and without limiting the generality of the foregoing, the construction of drainage ditches, transmission towers and lines, and other similar undertakings as well as the excavation, dredging or removal of loam, gravel, soil, rock, sand or other materials;
- (e) allow the removal, destruction or cutting of trees, shrubs or other vegetation except as may be necessary for (i) the prevention or treatment of disease, or (ii) other good husbandry practices;
- (f) allow the planting of trees, shrubs or other vegetation which would have the effect of (i) reducing the aesthetics of the Facade or the Property, or (ii) causing any damage to the Building;
- (g) allow any activities, actions or uses detrimental or adverse to water conservation, erosion control and soil conservation.

1.11

Remedies Of Municipality

If the Municipality, in its sole discretion, is of the opinion that the Owner has neglected or refused to perform any of its obligations set out in this Agreement, the Municipality may, in addition to any of its other legal or equitable remedies, serve on the Owner a notice setting out particulars of the breach and of the Municipality's estimated maximum costs of remedying the breach. The Owner shall have thirty (30) days from receipt of such notice to remedy the breach or make arrangements satisfactory to the Municipality for remedying the breach. If within those thirty (30) days the Owner has not remedied the breach or made arrangements satisfactory to the Municipality for remedying

the breach, or if the Owner does not carry out the said arrangements within a reasonable period of time, of which the Municipality shall be the sole and final judge, the Municipality may enter upon the Property and may carry out the Owner's obligations and the Owner shall reimburse the Municipality for any expenses incurred thereby, up to the estimated maximum costs of remedying the breach set out in the aforesaid notice. Such expenses incurred by the Municipality shall, until paid to it by the Owner, be a debt owed by the Owner to the Municipality and recoverable by the Municipality by action in a court of law.

1.12 Waiver

The failure of the Municipality at any time to require performance by the Owner of any obligation under this Agreement shall in no way affect its right thereafter to enforce such obligation, nor shall the waiver by the Municipality of the performance of any obligation hereunder be taken or be held to be a waiver of the performance of the same or any other obligation hereunder at any later time.

X 1.13 Extension Of Time

Time shall be of the essence of this Agreement. Any time limits specified in this Agreement may be extended with the consent in writing of both the Owner and the Municipality, but no such extension of time shall operate or be deemed to operate as an extension of any other time limit, and time shall be deemed to remain of the essence of this Agreement notwithstanding any extension of any time limit.

2.0 Use of Property

2.1 The Owner expressly reserves for itself, its representatives, successors and assigns the right to continue the use of the Property for all purposes not inconsistent with this Agreement.

3.0 Inspection Of The Property

3.1 Inspection By Municipality At All Reasonable Times
The Municipality or its representatives shall be permitted at

all reasonable times to enter upon and inspect the Property upon prior written notice to the Owner of at least twenty-four (24) hours.

4.0 Notice Of Easement

4.1 Plaque

The Owner agrees to allow the Municipality to erect a plaque on the Facade, in a tasteful manner and at the Municipality's expense, indicating that the Municipality holds a conservation easement on the Property.

4.2 Publicity

The Owner agrees to allow the Municipality to publicize the existence of the easement.

5.0 Severability Of Covenants

5.1 Proper Covenants Not To Terminate

The Owner and the Municipality agree that all covenants, easements and restrictions contained in this Agreement shall be severable, and that should any covenant, easement or restriction in this Agreement be declared invalid or unenforceable, the remaining covenants, easements and restrictions shall not terminate thereby.

6.0 Dissolution Of Municipality

6.1 Transfer Of Municipality's Interests

In the event of the winding up or dissolution of the Municipality, all of the Municipality's interests herein shall be automatically assigned and transferred to Her Majesty the Queen in Right of Ontario or to any other entity specified by statute.

7.0 Notice

7.1 Addresses Of Parties

Any notices to be given under this Agreement shall be

delivered to the parties at their respective addresses. The respective addresses of the parties for such purposes presently are as follows:

THE OWNER

MARKHAM VILLAGE LANES INC.
1 Yorkdale Road, Suite 305
Toronto, Ontario
M6A 3A1

THE MUNICIPALITY

THE CORPORATION OF THE TOWN OF MARKHAM
8911 Woodbine Avenue
Markham Ontario
L3P 1A1

The parties agree to notify each other immediately, in writing, of any changes of address from those set out above.

7.2 Service By Mail Except Where Postal Service Interrupted.

Except in the event of an interruption in the postal service, any notices to be given under this Agreement shall be delivered in person or sent by pre-paid registered mail addressed to the parties at their respective addresses as set out in paragraph 7.1. In the event that a notice is delivered in person, the party receiving the notice shall forthwith indicate receipt of the notice by signing a form of acknowledgement of receipt, and in that event, the notice shall be deemed to have been received on the date on which the form of acknowledgement of receipt was signed. In the event that a party refuses to sign an acknowledgement of receipt of the notice, the person delivering the notice may swear an affidavit of service, and the notice shall be presumed to have been received on the date of service as set out in such affidavit. In the event that a notice is sent by pre-paid registered mail, it shall be deemed to have been received on the second clear day following the day on which the notice was sent.

7.3 Service Where Postal Service Interrupted

In the event of any interruption in the postal service, notice

may be given to either party at its respective address as set out in paragraph 7.1, either in person or by special courier. The party receiving the notice shall indicate the receipt of it by signing a form of acknowledgement of receipt, and the notice shall be deemed to have been received on the date on which the form of acknowledgement of receipt was signed. In the event that either party refuses to sign an acknowledgement of receipt of the notice, the person delivering the notice may swear an affidavit of service, and the notice shall be presumed to have been received on the date of service as set out in such affidavit.

8.0 Costs

8.1 In the event that a dispute arises between either of the parties hereto because of this Agreement, each party shall be responsible for its own legal fees, court costs and all other similar type expenses which may result from any such dispute.

9.0 Indemnification

9.1 Non-Liability of Municipality

Subject to paragraphs 1.7 and 1.11 the Owner shall hold the Municipality harmless against and from any and all liabilities, suits, actions, proceedings, claims, causes, damages, judgments or costs whatsoever (including all costs of defending such claims) arising out of, incidental to, or in connection with any injury or damage to person or property of every nature and kind (including any death resulting therefrom), occasioned by anything done pursuant to this Agreement.

Entirety

10.1 No Extraneous Agreements Between The Parties

This written Agreement embodies the entire agreement of the parties with regard to the matters dealt with herein, and no understandings or agreements, verbal or otherwise, exist between the parties except as herein expressly set out.

11.0 Subsequent Instruments

11.1 Subsequent Instruments To Contain These Provisions

Notice of these covenants, easements and restrictions shall be inserted by the Owner in any subsequent deed or other legal instrument by which it divests itself either of the fee simple title to or of its possessory interest in the Property.

11.2 Notice To Municipality

The Owner shall immediately notify the Municipality in the event that it divests itself of the fee simple title to or of its possessory interest in the Property or the building.

12.0 Headings

12.1 The headings in the body of this Agreement form no part of the Agreement but shall be deemed to be inserted for convenience of reference only.

13.0 Enurement

13.1 Covenants To Run With The Property

The covenants, easements and restrictions set out in this Agreement shall run with the Property and shall enure to the benefit of and be binding upon all parties hereto and their respective heirs, executors, administrators, successors and assigns as the case may be.

PROVIDED that in interpreting this Agreement the word "Owner" and the pronouns "it" or "its" relating thereto and used therewith shall be read and construed as "Owner" or "Owners", and "he", "she", "it" or "they", "his", "her", "its" or "their", or "him", "her", "it" or "them", respectively, as the number and gender of the party or parties referred to in each case require, and the number of the verb agreeing therewith shall be construed as agreeing with the said word or pronoun so substituted.

IN WITNESS WHEREOF the parties hereto have hereunto set

their hands and seals.

SIGNED, SEALED AND DELIVERED

in the presence of:

MARKHAM VILLAGE LANES INC.

Per:

Ago.

Per:

Ago.

THE CORPORATION OF THE
TOWN OF MARKHAM

Per:

Mayor

c/s

Clerk

SCHEDULE "A"

THOSE lands and premises located in the following municipality, namely, in the Town of Markham, in the Regional Municipality of York, Province of Ontario and being composed of part of Lot 7, in Block N, on the West side of Main Street, in the said Town of Markham, according to a Plan filed in the Registry Office for the Registry Division of York Region as No. 18, more particularly described as being Part 1 on a Plan of Survey deposited in the Registry Office at Newmarket (for York Region No. 65)) as Plan 65R-4403. _____

SCHEDULE "B"

140 Main Street North, Markham c.1845
East (principal), North and South facades as depicted in
Photographs 1 - 7 below.

General Architectural Description

The one-storey brick building at 140 Main Street North, Markham, is of the popular 'Ontario Cottage' style, three bays wide with Regency features such as a low hipped roof and generous window openings on the principal facade. The projecting eaves of the roof are finished with a plain fascia and recessed soffit with a simple frieze of concave molding.

Access to the main entrance of the building is gained through a well-detailed glass and wood enclosed porch aligned across the centre bay of the principal facade.

The building is constructed of kiln-fired clay brick in red tones in Common bond on the north and south facades, and in a variation of Flemish bond on the front facade. Flush quoins of buff brick accent the front corners of the building and the same buff brick forms a plinth across the principal facade.

East (principal) Facade

The east facade of three bays wide has a main entrance centrally located with the two windows placed symmetrically on either side. The same simple wood molding surrounds the doorway and window openings, each of which is headed by a flat arch of radiating brick voussoirs directly under the frieze and in the same brick colour as the building.



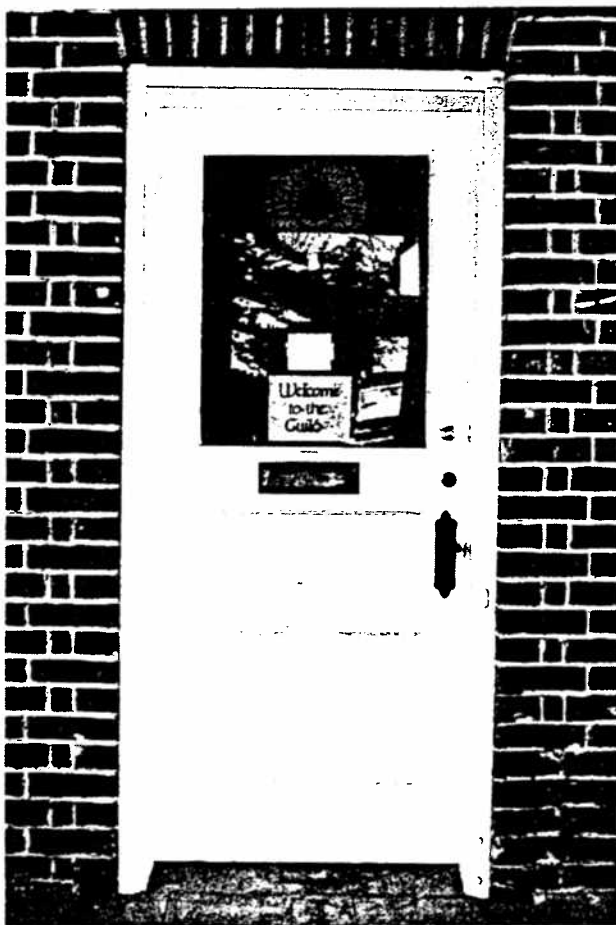
Photograph 1 - East (Principal) Facade

- Porch

The front porch has a pedimented gable roof with a decorative frieze of dentils. The recessed portion of the pediment contains two mirror-image decorative triangles of diagonal planking.

The front elevation of the porch is approximately 10'3" wide with two one-over-one single pane windows with openings of approximately 2'3" x 5' on either side of the centrally located doorway to the porch. The single leaf porch door has a single pane of glass in the upper section and three recessed vertical panels below.

The north and south elevations of the porch are identical and project approximately 7'2" out from the principal facade. Each elevation contains two window openings of approximately 2'7" x 5'. Each window is divided by horizontal and vertical muntins into four equal sections. A slightly projecting and sloping windowsill provides a unifying molding around the porch. A decorative recessed panel with vertical planking is located beneath each window.



Photograph 2 - Main Door
East (Principal) Facade

The main entrance, with an opening of approximately 3' x 7', is reached through the front porch and consists of a single leaf door with two vertical recessed bottom panels, one horizontally recessed middle panel and a single upper panel of glass.

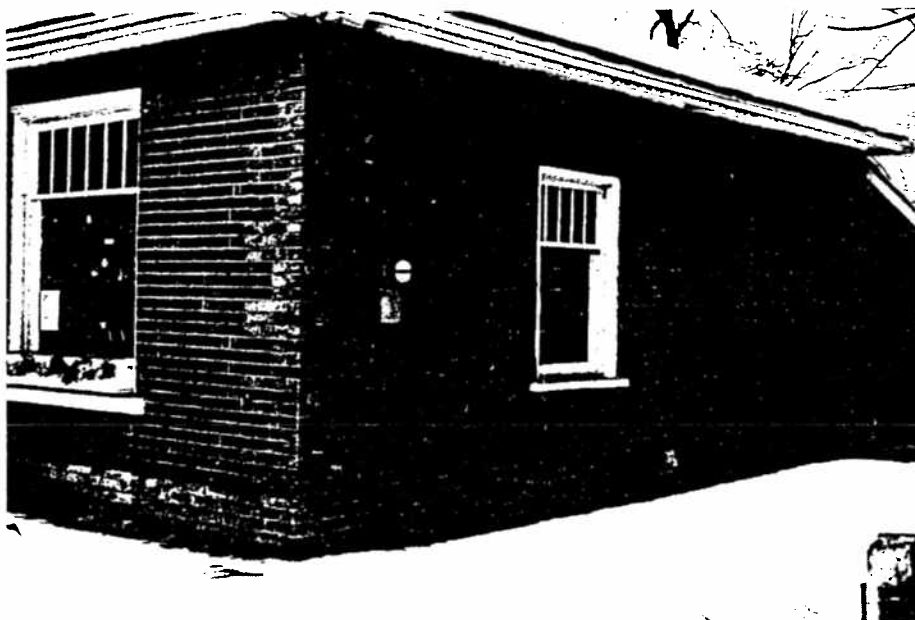
The window openings on either side of the main entrance are approximately 6' x 6'6". The main section of the windows consists of a single pane of glass, approximately 4' x 3'8", above which a transom light has been divided into six equal lights by five mullions.



Photograph 3 - Typical Window
East (Principal) Facade

North Facade

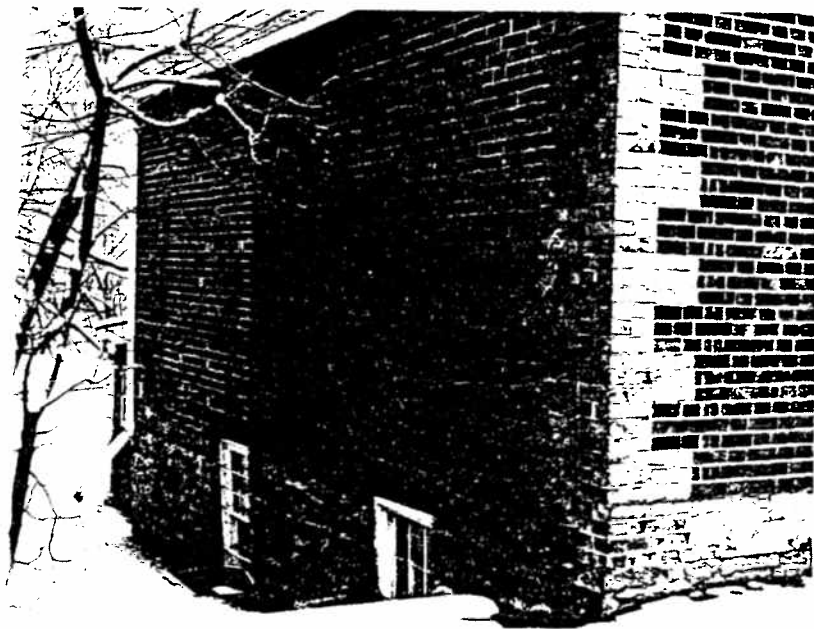
The north facade of the building has one asymmetrically placed window with an opening of approximately 3'5" x 5'. This window has the same simple molding as those on the principal facade and consists of a single pane of glass, approximately 2'7" x 2'9", above which a transom light has been divided into five equal lights by four mullions.



Photograph 4 - North Facade

South Facade

The south facade does not contain any main floor windows.



Photograph 5 - South Facade

Roofline

It is recognized that it may be necessary to modify the rear roof in order to adjoin this building to any proposed new construction. However, the existing pitch or slope of the front and side roofs should not be altered.



Photograph 6 - Roofline
North-East Facade

Cleaning of Brickwork

Any cleaning of the brickwork must be done by an appropriately approved method, not by sandblasting.



Photograph 7 - Brick & Porch Detailing
South-East Facade