

LEASE AGREEMENT

Date: _____

made between:

[NAME OF LANDLORD]

- and -

[NAME OF TENANT]

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LEASE AGREEMENT

THIS LEASE made effective as of the ____ day of _____, ____.

BETWEEN:

[LANDLORD], a body corporate incorporated pursuant to the laws of the Province of _____ and authorized to carry on business in the said Province (the "Landlord")

OF THE FIRST PART

- and -

[TENANT], a body corporate incorporated pursuant to the laws of the Province of _____ and authorized to carry on business in the said Province (the "Tenant")

OF THE SECOND PART

WITNESSETH THAT in consideration of the demise by and the covenants and agreements on the part of the Landlord herein contained and the rent payable by and the covenants, agreements or obligations on the part of the Tenant herein contained, the Landlord being registered as owner, subject, however, to such mortgages and encumbrances as are notified by memorandum or endorsed on the existing certificates of title of those lands defined in Section 2.01, has leased such lands to the Tenant and the Tenant has accepted such lease, all on the terms herein set forth; and this Lease is made upon and subject to the following covenants, agreements or obligations which each of the parties hereto respectively covenants and agrees to keep, observe and perform to the extent that the same are binding or expressed to be binding upon it.

ARTICLE I - INTERPRETATION

Section 1.01 Headings, etc.

Headings and captions of articles and sections are inserted for convenience of reference only and are not to be considered when interpreting this Lease. All references in this Lease to articles, sections and other sub-sections refer to the corresponding articles, sections and other sub-sections of this Lease and the words "this Lease", "herein", "hereof", "hereby", "hereunder", "hereinafter" and words of similar import refer to this Lease as a whole and not to a particular article, section or sub-section of this Lease.

ARTICLE II - DEMISE, TERM, RENT

Section 2.01 Leased Premises

The Landlord does hereby demise and lease unto the Tenant all and singular those certain parcels of land and premises (the "Leased Premises") in the City of [city], in the Province of _____ legally described as:

[legal description of the premises]

and all buildings situate on or subsequently constructed on the Leased Premises (the "Improvements").

Section 2.02 Term

To have and to hold the Leased Premises and the Improvements for a term of ____ (__) years commencing on the ____ day of _____, _____ and expiring at midnight on the ____ day of

_____, _____ (the "Term"), subject to the provisions with respect to earlier termination hereinafter contained.

Section 2.03 Rent and Additional Rent

Yielding and paying therefor, for each of the following years during the Term without any deduction, set-off or abatement whatsoever the following rents:

- (a) during each year of the Term, the sum of _____ DOLLARS (\$_____) per year of lawful money of Canada payable in advance in equal monthly installments of _____ DOLLARS (\$_____) commencing on the ___ day of _____.
- (b) as additional rent all other amounts which the Tenant is required to pay or discharge under this Lease together with all penalties, interests and costs and if the Tenant fails to pay or discharge any such other amounts, the Landlord shall have the rights, powers and remedies provided herein.

Section 2.04 Interest on Amounts in Default

When rent or any other amount payable hereunder by the Tenant to the Landlord is in arrears, such amount shall bear interest from the date due until paid at the rate of interest per annum equal to _____ (_____) percentage points in excess of the prime commercial rate of interest at which loans in Canadian dollars are available at the main office in the City of _____ of the _____ (bank) to its most preferred commercial customers payable monthly or, if such rate of interest shall become unlawful, at the maximum rate permitted by law. The Landlord shall have all remedies for the collection of such interest if unpaid after demand as in the case of rent in arrears, but this stipulation for interest shall not prejudice or affect any other remedies of the Landlord under this Lease.

Section 2.05 Other Charges

Any sums, costs, expenses or other amounts from time to time due and payable by the Tenant to the Landlord under the provisions of this Lease, including sums payable by way of indemnity and whether expressed to be rent or not, may at the option of the Landlord be treated as and deemed to be rent, in which event the Landlord shall have all remedies for the collection of such sums when in arrears as are available to the Landlord for the collection of rent in arrears.

Section 2.06 Place of Payment of Rent

All rent, additional rent and charges payable hereunder shall be paid by the Tenant to the Landlord at its offices at _____ or at such other place as the Landlord may designate in writing from time to time, without any prior demand therefor, and shall be payable in lawful money of Canada at par.

Section 2.07 Intent of Net Lease

It is the purpose and intent and agreement of the Landlord and the Tenant that annual rent payable to the Landlord pursuant to Section 2.03 hereof shall be completely and absolutely payable under this Lease net to the Landlord, and for this purpose the Tenant covenants with the Landlord that this Lease shall yield net to the Landlord the annual rent specified in Section 2.03 of this Lease during the Term, free and clear of all realty taxes, goods and services taxes, sales taxes, value added taxes, charges, rates, assessments, expenses, costs, payments or outgoings of every nature whatsoever arising from or related to the Leased Premises and the Improvements without abatement, deduction or set-off and under no circumstance or condition whether now existing or hereafter arising or beyond the present contemplation of the parties shall the Landlord be expected or obligated to make any payment of any kind whatsoever or be under any obligation or liability hereunder or in respect of the Leased Premises except as herein otherwise expressly set out and all such taxes, charges, rates, assessments, expenses, costs, payments and outgoings of every kind and nature whatsoever relating to the Leased Premises and the Improvements which may

arise or become due during or in respect of the Term of this Lease shall be payable and be paid by the Tenant, and the Tenant covenants to indemnify and save harmless the Landlord from and in respect of any and all such taxes, charges, rates, assessments, expenses, costs, payments and outgoings.

Section 2.08 Obligation to Pay Rent Not to be Diminished

Except as provided in Section 5.08, the Tenant's obligations to pay rent and all other sums payable by the Tenant under the provisions of this Lease shall not be affected nor shall such rent or other payments abate or be diminished in the event of damage to or destruction of the Improvements upon the Leased Premises, regardless of the cause or extent thereof and the Tenant hereby waives the provisions of any statute or rule of law to the contrary now or hereafter in effect, it being the intent of this Lease that the Improvements shall be at the sole risk of the Tenant.

ARTICLE III - USE OF LEASED PREMISES

Section 3.01 Use of Premises

Subject to the provisions for redevelopment hereinafter contained, the Leased Premises and the Improvements shall not be used for any purpose other than the operation and maintenance thereon of _____ *[insert description of tenant's business]* and shall be occupied in a lawful manner.

ARTICLE IV - INDEMNITY

Section 4.01 Tenant's Indemnity to Landlord

The Tenant shall indemnify and save harmless the Landlord from and against any and all claims, demands, awards, judgments, actions and proceedings by whomsoever made, brought or prosecuted in respect of loss, damage or destruction of property or personal injuries, including death, and from and against any and all loss of, damage to or destruction of property and expenses and costs suffered or incurred by the Landlord by reason of the act, omission, use and occupation of the Leased Premises and the Improvements, negligence or misconduct of the Tenant and its assignees, and its and their servants, agents, employees, invitees and licensees, or anyone permitted to be upon the Leased Premises and the Improvements, or any of them, while in the course of exercising any right, licence or privilege or doing anything which is required or permitted by reason of this Lease, except where caused by the negligence of the Landlord, or those for whom the Landlord is responsible in law.

Section 4.02 Landlord not to be Liable

The Landlord shall not be liable for death or injury or damage to property of the Tenant or of others located on the Leased Premises or within the Improvements, nor for the loss of or damage to any property of the Tenant or of others by theft or otherwise from any cause whatsoever.

ARTICLE V - INSURANCE PROVISIONS

Section 5.01 Tenant's Insurance

The Tenant shall acquire and maintain at all times during the currency of the Term the following insurance, all in a form and issued by an insurance company or companies registered and licensed to operate in the Province of _____, satisfactory to the Landlord in its sole and unfettered discretion:

- (a) comprehensive general liability insurance against liability of the Landlord and the Tenant to third parties and against the Tenant's contractual liability to indemnify the Landlord under the terms of this Lease, with inclusive limit of not less than FIVE MILLION (\$5,000,000.00) DOLLARS for each occurrence involving bodily injury (including death) and property damage, insuring the

Landlord and the Tenant, their respective employees, servants, agents, invitees or licensees and any of them. Such insurance shall contain endorsements stating that:

- (i) the Landlord and any mortgagee of the fee simple interest in the Leased Premises (the "Mortgagee") are included as a named insured as their interests may appear under the policy;
 - (ii) the policy contains a "cross-liability" clause and a "severability of interest" clause;
 - (iii) the policy extends to cover the contractual obligations of the Tenant under the terms of this Lease;
 - (iv) the insurers have received a copy of this Lease and are fully aware of the contractual obligations of the Tenant; and
 - (v) such policy shall not be terminated, cancelled or materially altered unless written notice of such termination, cancellation or material alteration is given by the insurers to the Landlord at least thirty (30) clear days before the effective date thereof;
- (b) "all risks" physical damage insurance, (excluding flood and earthquake), covering the Improvements, (excluding the excavations, footings and foundations thereof) constructed and maintained in, on, under or above the Leased Premises. Such insurance shall provide a limit of not less than the replacement cost of the Improvements excluding the excavations, footings and foundations thereof;
- (c) boiler and pressure vessel and machinery breakdown insurance including all heating ventilation and air-conditioning equipment, in an amount:
- (i) not less than the replacement cost of all such equipment respecting damage thereto;
 - (ii) not less than the replacement cost of the Improvements (excluding the excavations, footings and foundations thereof).

The insurance provided for in subsections 5.01(b) and (c) shall both contain endorsements stating that:

- (A) the policy contains a waiver of subrogation clause in favour of the Landlord and the Mortgagee;
- (B) the policy contains a breach of conditions clause providing a waiver in favour of the Landlord and the Mortgagee of any breach of warranty clause such that the insurance policies in question shall not be invalidated as respects their interest by reason of any breach or violation of any warranties, representations, declarations, or conditions contained in the policies; and
- (C) such policy shall not be terminated, cancelled or materially altered unless written notice of such termination, cancellation or material alteration is given by the insurers to the Landlord at least thirty (30) clear days before the effective date thereof.

Section 5.02 Landlord's Right to Demand Increased Insurance

The Tenant agrees with the Landlord that the amount of insurance provided for in this Article V may be increased as requested by the Landlord, in its sole and unfettered discretion, or the Mortgagee during each year of the Term and that the Landlord and the Mortgagee shall each be entitled to approve yearly the amount of insurance placed by the Tenant. The Tenant covenants that it shall obtain such additional insurance forthwith upon request by the Landlord or the Mortgagee.

THIS IS A 27-PAGE LEASE.