

COMMERCIAL LEASE AGREEMENT

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

BETWEEN:

[LANDLORD]

a body corporate, carrying on business in [city], Prince Edward Island
(the "Landlord")

OF THE FIRST PART

- and -

[TENANT]

a body corporate, carrying on business in [city], Prince Edward Island
(the "Tenant")

OF THE SECOND PART

1. DEMISED PREMISES

WITNESSETH for and in consideration of the rents, covenants, agreements and conditions hereinafter reserved and contained and performed on the part of the Tenant to be respectively paid, kept, observed and performed, the Landlord, being the registered owner of the hereinafter described lands, has demised and leased, and by these presents does demise and lease unto the Tenant [square footage] square feet, more or less, being [bay/floor/unit/etc] of that building municipally known as [municipal address], [city], Prince Edward Island, such building being constructed upon and within that certain parcel of land situate in the City of [city], in the Province of Prince Edward Island, being more particularly described as follows:

[legal description]

EXCEPTING THEREOUT ALL MINES AND MINERALS
(hereinafter called the "lands")

together with all rights and appurtenances whatsoever to the said premises belonging or appertaining (hereinafter called the "demised premises").

2. TERM

TO HAVE AND TO HOLD the said hereby demised premises unto the Tenant for and during a term of [term of lease] years commencing on the ____ day of _____, _____ (hereinafter called the "term commencement date") and expiring on the ____ day of _____, _____.

3. RENT

YIELDING AND PAYING THEREFOR unto the Landlord rental as follows:

3A. *BASE MINIMUM YEARLY RENTAL*

(a) For and during the first year of the term of this Lease, the base minimum yearly rental in the amount of [AMOUNT](\$_____) DOLLARS payable in lawful money of Canada, in advance, in equal monthly instalments of [MONTHLY AMOUNT] (\$_____) DOLLARS on the day of each and every calendar month of the said first year of the said term, the first of such payments to be made on the ____ day of _____, _____;

(b) For and during the second year of the term of this Lease, the base minimum yearly rental in the amount of [AMOUNT](\$_____) DOLLARS payable in lawful money of Canada, in advance, in equal monthly instalments of [MONTHLY AMOUNT] (\$_____) DOLLARS on the day of each and every calendar month of the said second year of the said term, the first of such payments to be made on the ____ day of _____, _____;

_____) DOLLARS on the ____ day of each and every calendar month of the said second year of the said term, the first of such payments to be made on the ____ day of _____;

- (c) For and during the third year of the term of this Lease, the base minimum yearly rental in the amount of [AMOUNT(\$_____)] DOLLARS payable in lawful money of Canada, in advance, in equal monthly instalments of [MONTHLY AMOUNT] (\$_____) DOLLARS on the ____ day of each and every calendar month of the said third year of the term of this Lease, the first of such payments to be made on the ____ day of _____;
- (d) For and during the fourth year of the term of this Lease, the base minimum yearly rental in the amount of [AMOUNT(\$_____)] DOLLARS payable in lawful money of Canada, in advance, in equal monthly instalments of [MONTHLY AMOUNT] (\$_____) DOLLARS on the ____ day of each and every calendar month of the said fourth year of the term of this Lease, the first of such payments to be made on the ____ day of _____; and
- (e) For and during the fifth year of the term of this Lease, the base minimum yearly rental in the amount of [AMOUNT(\$_____)] DOLLARS payable in lawful money of Canada, in advance, in equal monthly instalments of [MONTHLY AMOUNT] (\$_____) DOLLARS on the ____ day of each and every calendar month of the said fifth year of the term of this Lease, the first of such payments to be made on the ____ day of _____.

3B. ADDITIONAL RENT

For and during the entire term hereof, and any renewals or extensions thereof, the Tenant shall pay to the Landlord all those sums required to be paid hereunder, which shall at all times be payable as so much additional rent and which shall be recoverable as the same.

3C. PLACE OF PAYMENTS

All payments to the Landlord required hereunder shall be paid by the Tenant to the Landlord at the Landlord's office at the City of [city], in the Province of Prince Edward Island. The Landlord acknowledges receipt of those monthly instalment payments of base minimum yearly rental due and payable to the Landlord for the ____ day of _____, _____ and the ____ day of _____, _____, and the amount of \$_____ to be held by the Landlord as security for the faithful performance of the Tenant of all terms, covenants and conditions of this Lease, such deposit herein required pursuant to Clause 4 of this Lease.

3D. NO ABATEMENT

The Tenant covenants with the Landlord that all of the rental payable hereunder shall be paid by the Tenant to the Landlord without any demand, deduction, set-off or abatement whatsoever. The Tenant covenants that the Landlord may at its option apply all sums received from or due to the Tenant against any amounts due and payable hereunder in any manner as the Landlord may see fit, regardless of any designation or instructions by the Tenant to the contrary.

4. SECURITY DEPOSIT

The sum of [DEPOSIT AMOUNT] DOLLARS (\$_____) shall be paid by the Tenant to the Landlord upon execution of this Lease, and such sum shall be held by the Landlord, as security for the faithful performance by the Tenant of all terms, covenants and conditions of this Lease, and if at any time during the term of this Lease the rent or other charges properly made by the Landlord hereunder are overdue and unpaid then the Landlord may at its option apply any portion of such security deposit toward the payment of such overdue rent or other charge without thereby limiting or excluding any other rights which the Landlord may have hereunder or at law and if such security deposit is not so applied during the term hereof, then provided the Tenant, its heirs, executors, administrators, successors

or permitted assigns surrenders possession of the demised premises on the expiration of the term, has duly and regularly paid the annual rentals as and when due and all those sums payable hereunder as additional rent and has performed all, each and every one of the covenants, provisos and agreements herein and on the part of the Tenant to be paid and performed then the Landlord shall refund the security deposit to the Tenant, without interest. In the event the entire security deposit or any portion thereof is applied by the Landlord towards the payment of overdue rent or other charges accrued pursuant to the provisions hereof prior to the expiration of the term, then the Tenant shall on written demand of the Landlord forthwith remit to the Landlord such sum as is sufficient to restore the security deposit to the original amount deposited.