

COMMERCIAL LEASE

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

BETWEEN:

[NAME OF LESSOR]

a corporation duly incorporated under the laws of the Province of Quebec,
having its principal place of business at _____, [Name of City], Quebec,
herein acting and represented by _____ [name of signing officer], duly authorized as he so declares
(the "Lessor")

OF THE FIRST PART

- and -

[NAME OF LESSEE]

a corporation duly incorporated under the laws of the Province of Quebec,
having its principal place of business at _____, [Name of City], Quebec,
herein acting and represented by _____ [name of signing officer], duly authorized as he so declares
(the "Lessee")

OF THE SECOND PART

THE PARTIES HEREBY AGREE AS FOLLOWS:

1. DEFINITIONS

In this Lease, the following expressions shall have the meaning hereinafter ascribed to them:

- (a) **"Building"** means [describe the building – give legal description and municipal address, and any other details necessary to identify the building on a plan]
- (b) **"GRA"** means _____ square feet, being the agreed total square footage of the Building, which area includes mezzanine, loading dock, offices, and _____ [describe any other areas included in the GRA];
- (c) **"Land"** shall mean the land described in Schedule "A" attached hereto;
- (d) **"Lease"** or **"Lease Agreement"** shall mean this Lease;
- (e) **"Lessee"** shall mean [NAME OF LESSEE];
- (f) **"Lessor"** shall mean [NAME OF LESSOR];
- (g) **"Premises"** means, collectively, the Building and the Land;
- (h) **"Proportionate Share"** means one hundred percent (100%).

2. TERM AND LEASE OF PREMISES

Lessor hereby leases to Lessee the Premises for a period of ____ years commencing on _____ [date] (hereinafter referred to as the "Commencement Date" and terminating on _____ [date] (such period being herein referred to as the "Term").

3. BASE RENTAL

The Lessee shall pay throughout the Term to the Lessor, as more fully set out herein, without deduction, diminution, compensation or set-off the following annual basic minimum sum (hereinafter referred to as the "Base Rent"), the Lessee acknowledging that the rental set forth below is entirely "net" to the Lessor.

- (a) From _____ [date] to _____ [date], an annual Base Rent of _____ Thousand Dollars (\$_____), calculated on the basis of \$_____ net per square foot of Rentable Area per annum and payable in equal and consecutive monthly installments of _____ Thousand (\$_____) each, payable in advance on the first (1st) day of each and every calendar month.
- (b) From _____ [date] to _____ [date], an annual Base Rent of _____ Thousand Dollars (\$_____), calculated on the basis of \$_____ net per square foot of Rentable Area per annum and payable in equal and consecutive monthly installments of _____ Thousand (\$_____) each, payable in advance on the first (1st) day of each and every calendar month.

4. NET-NET RENTAL

4.1 Subject to stipulations to the contrary contained herein, the Lease shall be absolutely net-net to Lessor; however, as long as they are not damaged by Lessee's fault or negligence, Lessor shall make, at its sole expense (i) all roof repairs and replacements, and (ii) structural repairs and replacements; subject to the fact that damages to roof and structure caused by forcible entry by third parties (whether the said third parties be known or unknown and whether or not such entry constitutes a criminal act) shall be the responsibility of Lessee.

4.2 Should Lessor fail to accomplish the repairs, replacements, maintenance and expenditures set out in paragraph 4.1, Lessee, after giving written notice of at least fifteen (15) days to Lessor (or if the nature of the default is such that it takes more than fifteen (15) days to correct, such longer delay as is necessary to diligently and continuously proceed to correct such default until fully regularized, on the condition that Lessor does in fact start such remedial work within fifteen (15) days and thereafter diligently and continuously carry on such remedial work until fully regularized) shall have the right to effect such repairs, replacements, maintenance and expenditures, and all reasonable costs so incurred by Lessee shall be payable by Lessor to Lessee upon receipt by Lessor of all pertinent documentation evidencing such costs.

4.3 Unless otherwise specifically excluded or stipulated to the contrary herein, Lessee shall pay, without duplication, its Proportionate Share of all municipal, provincial and federal taxes concerning the Premises, including the water tax (but excluding income and capital tax of Lessor, which shall be the responsibility of Lessor). In this regard, the Lessor shall present all such tax assessments to Lessee upon receipt thereof, and Lessee shall pay to Lessor, by or before the 20th day preceding the due date indicated by the taxing authority, the amount of such tax assessment or installment thereof, as the case may be.

4.4 Furthermore, and unless specifically excluded or stipulated to the contrary herein, Lessee shall pay, without duplication, its Proportionate Share of all maintenance costs of the Premises (subject to what is the responsibility of Lessor provided for in this Lease) and its Proportionate Share of all the costs of the insurance taken in accordance with Section 10 below.

4.5 Unless otherwise specifically excluded or stipulated to the contrary herein, Lessee shall pay for all electricity and gas used in the Building.

4.6 Lessee may contest, directly with the taxing authorities, the obligation of Lessor or of Lessee to pay real estate taxes, or any assessment or evaluation related thereto so long as Lessee prosecutes such contestation diligently and in good faith, and advises Lessor of such contestation at least ten (10) business days before undertaking such contestation. In this regard, should both Lessor and Lessee wish to make such contestation, Lessor and Lessee agree to cooperate in good faith, to coordinate their recourses and reasonably attempt to obtain the most advantageous result for both of them.

4.7 Lessee shall promptly notify the insurers (with copy to Lessor) of any damages to the Premises that need reporting under the insurance policies taken by Lessee as mentioned in Section 10 below.

5. PREMISES "AS IS"

The Lessor will deliver the Premises on an "as is" basis, on the condition and understanding that the Lessee has inspected the Land and Building and knows the condition of same.