

COMMERCIAL SUB-LEASE

THIS LEASE dated effective the ___ day of _____, _____.

BETWEEN:

LANDLORD
(the "Landlord")

OF THE FIRST PART

- and -

TENANT
(the "Tenant")

OF THE SECOND PART

WHEREAS:

- A. The Landlord is the lessee of the lands and buildings (collectively referred to as the "Leased Property") municipally and legally described in Schedule "A" attached hereto pursuant to a lease dated _____;
- B. The Landlord wishes to sub-lease to the Tenant and the Tenant wishes to sub-lease from the Landlord the premises ("Premises") being _____ square feet located on the Leased Property as outlined in Schedule "B" attached hereto subject to the terms of this Sub-Lease.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the covenants contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1 - LEASE

1.1 Grant of Lease

In consideration of the rents, covenants and agreements contained in this Sub-Lease, the Landlord hereby leases to the Tenant the Premises, being _____ square feet located on the Leased Property as shown on the plan attached in Schedule "B" hereto.

1.2 Term

The Premises shall be leased to the Tenant for a term (the "Term") of _____ years. The Term commences on the ___ day of _____, _____ (the "Commencement Date") and terminates on the ___ day of _____, _____ (the "Termination Date"). (The term and the permitted overholding period shall be collectively referred to as the "Term").

ARTICLE 2 - RENT

2.1 Basic Rent

The Tenant shall pay to the Landlord annual rent ("Basic Rent") during the Term of _____ (\$_____) Dollars, payable in equal and consecutive monthly installments of _____ (\$_____) Dollars per month in advance, on the first day of each month during the Term.

2.2 GST (Canadian residents)

In addition to the Basic Rent the Tenant shall pay to the Landlord goods and services tax ("GST") on the Basic Rent which GST shall be paid as the Basic Rent becomes due.

ARTICLE 3 – GROSS LEASE

3.1 It is the intent of the parties and the parties agree that this Lease shall be an absolutely gross lease and the Tenant's obligation to pay rent is limited to the Basic Rent and the GST payable on the Basic Rent. The Landlord shall pay all amounts, charges, costs, utilities, duties, expenses, fees, rates, sums, and taxes in any way relating to the Premises, their use, occupancy and content, as well as any other expenses relating to the operation of the Premises as set out in this Lease.

3.2 Without limiting the generality of the preceding paragraph, the Landlord shall pay promptly when due:

- (a) all of the property taxes payable on the Premises;
- (b) all rates, charges, costs and expenses as may be assessed or levied (and at the rates so assessed or levied) by all suppliers of electricity, natural gas, water, sewer and other utilities supplied directly to the Premises for the exclusive use of the Premises;

ARTICLE 4 - USE AND OCCUPATION

4.1. Quiet Enjoyment

The Landlord covenants with the Tenant for quiet enjoyment, for so long as the Tenant is not in default hereunder.

4.2 Use

The Premises shall be used for the purpose of _____ and for no other purpose without the express prior written consent of the Landlord to such alternate use, which consent of the Landlord shall not be unreasonably withheld.

4.3 Compliance with Laws

The Tenant shall carry on and conduct its business from the Premises in such manner as to comply with any and all statutes, by-laws, rules and regulations of any federal, provincial, municipal or other applicable authority for the time being in force, and shall not do anything upon the Premises in contravention thereof.

ARTICLE 5 - REPAIRS

5.1 Repairs By the Tenant

- (a) The Tenant shall keep and maintain the Premises in a good state of repair and in good and tenantable condition. The Tenant covenants that any damage of any kind done to the Premises by the Tenant, its employees, agents, servants, invitees, licensees, assignees or subtenants, shall be the sole responsibility of the Tenant, and the Tenant shall be responsible for the repair of any such damage.
- (b) In the event of such damage for which the Tenant is responsible, the Landlord shall be entitled to serve upon the Tenant a notice in writing specifying the repairs reasonably required to be done by the Tenant. If the Tenant fails to repair as required herein and according to the notice from the Landlord within _____ days of receipt thereof, or such other period as may be reasonable in the circumstances, the Landlord may enter the Premises or any part thereof and make such repairs and charge the cost thereof to the Tenant who shall forthwith pay the same to the Landlord. The Landlord may add the cost thereof to the next or any subsequent installment of rent and recover the same by all remedies available to the Landlord for the recovery of rent in arrears to the same extent and to the same effect as if the same were in fact rent.
- (c) The Tenant agrees to yield up the Premises on termination of this Lease in good repair, order and condition, reasonable wear and tear excepted.

5.2 Repairs by Landlord

In the event that any repairs are required to the Premises or any equipment, installation or facility thereon or therein arising from causes other than the act, omission, default or neglect of the Tenant, its employees, agents, servants, invitees, licensees, assignees or subtenants, or the failure of the Tenant to comply with any terms of this Lease, or in the event of any repairs required to the Premises which are not the responsibility of the Tenant, then the Landlord agrees to make such repairs to the extent required with reasonable speed and diligence. For the purpose of such repairs, the Landlord or its agents may enter upon the Premises and such entry and repairs shall not constitute an eviction of the Tenant, provided that the Landlord shall take all reasonable steps and precautions necessary to avoid any disturbance to the Tenant's occupation of the Premises under this Lease. Furthermore, the Landlord agrees to give the Tenant notice in writing of such repairs _____ days in advance of commencement of such repairs, except in the case of emergency.

ARTICLE 6 - INSURANCE

6.1 The Tenant shall, during the whole of the Term, take out and maintain comprehensive general liability insurance applying to all operations of the Tenant and against claims for bodily injury, including death, and property damage or loss arising out of the use or occupation of the Premises, or the Tenant's business on or about the Premises, or the use, handling, storage, creation, production, treatment or disposal of hazardous substances or toxic materials on or about the Premises. Such insurance shall include the Landlord as an additional insured and indemnify and protect both the Tenant and Landlord and shall contain a "cross liability" or "severability of interests" clause so that the Landlord and the Tenant may be insured in the same manner and to the same extent as if individual policies had been issued to each, and shall be for the amount of not less than One Million (\$1,000,000.00) Dollars combined single limit.

6.2 The Tenant shall not carry on or permit to be carried on in or on the Premises any trade or occupation or allow anything to be done which may make void or voidable any of the Tenant's policies of insurance or any policies of insurance carried by the Landlord in respect of the Premises.

THIS IS AN 8-PAGE DOCUMENT, including schedules.