

LEASE AGREEMENT

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LEASE AGREEMENT entered into in the City of, Province of (*insert name of province*), Canada.

BETWEEN: V1 (*name of individual*), (*occupation*), domiciled and residing at (*insert civic number and street name*), in the City of (*insert name of city*), Province of (*insert name of province*), (*postal code*);

OR

V2 (*corporate or business name*), a legal person duly incorporated pursuant to the *Act (name of statute under which the corporation was incorporated)*, having its principal place of business at (*insert civic number and street name*), in the City of (*insert name of city*), Province of (*insert name of province*), (*postal code*);

OR

V3 (*corporate or business name*), a legal person duly incorporated pursuant to the *Act (name of statute under which the corporation was incorporated)*, having its head or registered office at (*insert civic number and street name*), in the City of (*insert name of city*), Province of (*insert name of province*), (*postal code*), represented by (*name of representative*), its (*title of representative*), duly authorized for the purposes hereof;

OR

V4 (*corporate or business name*), a legal person, duly incorporated pursuant to the *Act (name of statute under which the corporation was incorporated)*, having its head or registered office at (*insert civic number and street name*), in the City of (*insert name of city*), Province of (*insert name of province*), (*postal code*), and duly registered under number (.....) in accordance with (*insert name of statute pursuant to which the entity is registered*), represented by (*name of representative*), its (*title of representative*), duly authorized for the purposes hereof as he/she so declares [or as indicated in the resolution of the [sole director or board of directors]];

HEREINAFTER REFERRED TO AS "LESSOR";

AND: (*identification of lessee*);

HEREINAFTER REFERRED TO AS "LESSEE";

LESSOR	LESSEE	SURETY

AND: (identification of the surety);

HEREINAFTER REFERRED TO AS THE "SURETY";

HEREINAFTER COLLECTIVELY REFERRED TO AS THE "PARTIES".

RECITALS

THE PARTIES MAKE THE FOLLOWING REPRESENTATIONS:

- (A) LESSEE is engaged in the business of (identification of business activities) in, province of Quebec, and it requires for such purpose the use of certain equipments and machinery;
- (B) Pursuant to a sales agreement, LESSOR has acquired such equipment and machinery at LESSEE's request;
- (C) LESSEE now wishes to lease from LESSOR such equipment and machinery and LESSOR agrees to lease such to it, subject to the terms and conditions established hereinafter;
- (D) The PARTIES wish to set out in writing the terms of their agreement regarding such purpose;
- (E) It is the intent of the PARTIES that their agreement be construed as a contract by mutual agreement.

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

0.00 INTERPRETATION

0.01 Definitions

Unless otherwise indicated, capitalized words and expressions appearing in the Agreement shall be interpreted or construed as follows:

0.01.01 Activities

LESSOR	LESSEE	SURETY

means (identify business sector) of (identify subject person);

0.01.02 Actualization Benefits

means the amount of the presumed profit of LESSOR, resulting from the receipt before maturity of any rent payable pursuant hereto, as reasonably determined by LESSOR, by taking into account the rate of return of invested capital sought by LESSOR on the lease and the estimated tax implications for LESSOR resulting from payments by anticipation;

0.01.03 Adjusted Rate

means the interest rate expressed on an annual basis and obtained by adding or subtracting, depending on whether there is an increase or decrease of the preferential rate, SEVENTY PERCENT (70%) of the variation in the prime rate at the pertinent date of adjustment of the prime rate in force at the date hereof; it being understood that in calculating the non-amortized balance (variable rate), such variation in the prime rate shall not be taken into account except as regards the portion of the relevant monthly period of the lease commencing on the Adjustment Date;

0.01.04 Adjustment Account

means the accounting statements prepared by LESSOR, assuming, for the sole purpose of Section 2.02 that the lease agreement constitutes a loan for the sum of DOLLARS (\$) amortized over a period of (.....) months and that the monthly instalments of rent constitute the reimbursement of capital and interest on the amount loaned;

0.01.05 Adjustment Date

means, for the duration of the lease, the last day of each calendar month on which banks are open for business;

0.01.06 Agreement

means this agreement including its recitals and schedules, any related or ancillary agreement or document identified therein, as well as any amendment made thereto from time to time by the PARTIES in compliance with Section 12.05; the terms “herein”, “hereof”, “hereto”, “herewith”, “hereunder”, “hereby” and other similar terms, when used in the Agreement, shall generally refer to the agreement as a whole rather than to a specific part thereof, unless otherwise indicated in the text;

0.01.07 Breach

LESSOR	LESSEE	SURETY