

**COMMERCIAL LEASE AGREEMENT
(Triple-Net)
(Long Form)**

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GENERAL LEASE AGREEMENT (Triple-Net) entered into in the City of, Province of, Canada.

BETWEEN: V1 (*name of individual*), (*occupation*), domiciled and residing at (*civic number and street name*), in the City of (*name of city*), Province of (*name of province*), (*postal code*)[, operating as a sole proprietorship under the name (*business name*)];

OR

V2 (*corporate name*), a legal person duly incorporated under the Act (*name of statute under which the corporation was incorporated*), with its principal place of business at (*civic number and street name*), in the City of (*name of city*), Province of (*name of province*), (*postal code*), and duly registered under the designating number in accordance with the Act (*name of the applicable statute governing the legal registration of the corporation*);

V2.1 (Authorized Representative) (to be added after V2, if applicable)

, represented by (*name of representative*), its (*title of representative*), duly authorized for the purposes hereof, as he/she so declares;

V2.2 (Authorized Representative by Resolution) (to be added after V2, if applicable)

, represented by (*name of representative*), its (*title of representative*), duly authorized for the purposes hereof as indicated in the resolution of the sole director [OR board of directors], attached hereto as Schedule A;

OR

V3 (*common business name*), [a general partnership], OR [a limited partnership represented by (*name of its general partner*), its general partner] OR [an undecleared partnership], OR [a joint venture], OR [a collaboration], OR [a group of persons operating a business], duly formed under the [..... Act (*identify applicable statute*)] OR [Civil Code of Quebec] OR [applicable general law], with its head or registered office at (*civic number and street name*), in the City of (*name of city*), Province of (*name of province*), (*postal code*), and duly registered (*if applicable*) under the designating number in accordance with the Act (*name of applicable statute governing legal registration of corporation*) 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 partners of the general partnership], OR [as indicated in the resolution of the sole director [or Board of

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Directors] of the general partner of the limited partnership], **OR** [as indicated in the resolution of the partners of the undeclared partnership], **OR** [as indicated in the resolution of the sole director [or Board of Directors] of each participant in the joint venture, **OR** [as indicated in the resolution of the sole director [or Board of Directors] of each participant in the collaboration], **OR** [as indicated in the resolution of the members of the group of persons], attached hereto as Schedule A;

HEREINAFTER THE “LESSOR”;

AND: (*identify lessee*);

HEREINAFTER THE “LESSEE”;

HEREINAFTER COLLECTIVELY THE “PARTIES”.

AND INTERVENING HEREIN:

..... (*identify surety, if applicable*);
(*select the appropriate version from those listed above and, if applicable, insert Schedule C*)

HEREINAFTER THE “SURETY”;

RECITALS

THE PARTIES DECLARE AS FOLLOWS:

- A) The LESSOR is engaged in the business of (*identify business activity*);
- B) The LESSEE is engaged in the business of (*identify business activity*);
- C) The LESSEE is seeking a premises in which it may operate its business;
- D) The LESSOR agrees to lease the premises to the LESSEE in exchange for rent;

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- E) The PARTIES wish to record the terms of their agreement regarding such purpose in a private instrument;
- F) It is the intent of the PARTIES that their agreement be construed as a contract by mutual agreement.

ACCORDINGLY, THE PARTIES AGREE AS FOLLOWS:

0.00 INTERPRETATION

0.01 Definitions

Unless otherwise indicated herein or inconsistent with the context, capitalized words and expressions appearing in this lease and in any ancillary or subordinate documentation will be interpreted as follows:

0.01.01 Activities

means, regarding the LESSOR, (*describe its principal business activities*) and, regarding the LESSEE, (*describe its principal business activities*);

0.01.02 Breach

means, with regard to any representation or warranty or obligation under the Lease:

- a) any misrepresentation, inaccuracy, error, or failure to disclose;
- b) any non-compliant performance or failure to perform an obligation; or
- c) any non-compliance, infringement, default or failure to satisfy any provision;

0.01.03 Building

means the building constructed on the Land located at (*civic number and street name*), in the City of, Province of Quebec (Canada), in which the Leased Premises is located;

0.01.04 Claim

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means any request, complaint, grievance, legal action, lawsuit, cause of action, order, sentence, judgment, notice, demand letter, legal proceeding, arbitration, audit, hearing, investigation or assessment;

0.01.05 Common Areas

means all areas of the Immovable made available to or for the benefit of the lessees, excluding the Total Rentable Space. For example, but without limiting the generality of the foregoing, the common spaces of the Immovable include landscaping, areas used for shipping and receiving goods, areas available to receive the public as well as (specify any other areas);

0.01.06 Confidential Information

means any information (commercial, technical, scientific, financial, legal, personal or other information) that a PARTY discloses [before and] during the term of the Lease and that the receiving PARTY, exercising reasonable business judgment, understands to be confidential, including, in particular, any information related to its Activities, business strategies and opportunities, finances, Intellectual Property, suppliers, clients or employees, but excludes:

- a) information known to the receiving PARTY prior to the date of its disclosure;
- b) information known by or available to the public prior to the date of its disclosure;
- c) information that becomes known by or available to the public after the date of its disclosure and that does not result from a breach of the confidentiality undertaking by the receiving PARTY;
- d) information received at any time by a Person who is not bound to one of the PARTIES by a confidentiality undertaking with regard to that information;
- e) information independently produced by the receiving PARTY;
- f) personal information provided by an individual when such information is being used for the purpose for which it was previously disclosed or any other purpose permitted by Law;

0.01.07 Dispute

means any problem, difficulty, disagreement or litigation between the PARTIES arising from the interpretation, application, execution or cancellation of the Lease or related to their legal or business relationship;

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0.01.08 Encumber / Encumbrance

Encumber means to create or grant an Encumbrance, and Encumbrance means, whether created by agreement or by operation of Law, a legal cause of preference, a dismemberment of ownership rights, an ownership interest, a restriction on the right to sell or convey any security interest of any kind, including any right capable of becoming any of the foregoing;

0.01.09 Force Majeure

means any event beyond the control of a PARTY that could not have been reasonably foreseen and against which it could not have protected itself such as any natural disaster, epidemic, fire, accident, act of war (whether declared or not), insurrection, riot, act of terrorism, strike, spontaneous work stoppage or slowdown, lockout, change in market conditions, power or telecommunications outage (including internet and cell phone services), intervention by civil or military authorities, or compliance with any Law, government decree or order issued by any public authority [OR (identify any other event that is relevant in the context of the Lease)];

0.01.10 Hazardous Materials

means any material which, in its liquid, solid or gaseous state, has an adverse impact on the environment or on the health of individuals exposed to it and includes any “contaminant” or “pollutant” within the meaning of the Quebec *Environment Quality Act*, CQLR, c Q-2 and any toxic “substance” within the meaning of the *Canadian Environmental Protection Act*, 1999, SC 1999, c 33;

0.01.11 Immovable

refers to the Building, including Common Areas, the Land and, where the context so requires, any movables that are incorporated into the Building;

0.01.12 Land

means the land on which the Building is erected and that is an integral part of the Immovable;

0.01.13 Law

means, relating to any federal, provincial municipal or foreign jurisdiction, any law, regulation, order, decree, guideline, administrative policy or other legislative or executive instrument issued by a public or quasi-public authority, any general rule of law as well as any legal or administrative decision by a competent court relating to the validity, interpretation and application thereof, and includes, when required, an international treaty or inter-provincial or inter-governmental agreement, it being understood that any reference in

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the Lease to a specific Law, includes any regulations adopted thereunder, any amendments thereto as well as any law or regulation that supplements or replaces such law or regulation, as the case may be;

0.01.14 Lease

means this lease including its recitals and schedules, any related or ancillary documentation identified therein, as well as any amendments thereto that the PARTIES may make from time to time in accordance with Section 12.05 herein;

0.01.15 Leased Premises

refers to unit number, measuring (.....) square feet [OR square metres], rented by the LESSEE in accordance herewith and located in the Building, as identified in a copy of the plan attached hereto as Schedule 0.01.15;

0.01.16 Leasehold Improvements

means all repairs, improvement work additions or changes made by the LESSEE to the Leased Premises before or during its occupancy that modifies the condition of the Leased Premises, in any manner whatsoever, from its condition prior to the date on which LESSEE takes possession thereof, and includes all movables affixed to the Leased Premises during the term of the Lease;

0.01.17 Legal Representatives

means, in respect of each PARTY or, if applicable, its duly authorized assignee:

- a) when a natural person, the executors of his estate or administrators of his property, his legal heirs, legatees, successors or mandataries, as the case may be;
- b) when a legal person, its directors, officers, shareholders, employees or representatives, as the case may be; and
- c) when a partnership, joint venture, collaboration or any other group of Persons, its authorized partners, general partners, mandataries or members, as the case may be;

0.01.18 Loss

means, in connection with the Lease, any direct damage, fine, fee, penalty, loss of revenue that is a direct damage or expense, including without limitation, any interest, reasonable investigative costs, legal costs, reasonable professional fees and expenses of any lawyer, accountant or other expert as well as any expenses related to any judicial or quasi-judicial

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procedure including arbitration, but does not include any punitive, indirect or incidental damages;

0.01.19 Operating Costs

means the costs incurred by the LESSOR in connection with the operations, management and maintenance of the Immovable and the Common Areas for the benefit of the lessees of the Immovable including, without limiting the generality of the foregoing:

- a) remuneration for the LESSOR's employees (including salaries, pension plans, insurance and other benefits);
- b) cost of interior decorating, outdoor landscaping and decorating accessories;
- c) snow removal costs;
- d) cleaning and maintenance costs;
- e) electricity and other costs related to heating, humidifying, ventilation, air conditioning, hot water and lighting the Immovable;
- f) insurance premiums for civil liability and property insurance taken out by the LESSOR in accordance with sound insurance practices or as required by the LESSOR's creditors, including the payment of any sum required as a deductible;
- g) costs related to providing security, excluding the remuneration of any employees hired for such purpose;
- h) costs in connection with auditing, accounting and general management;
- i) cost of repairing, improving or replacing any equipment, device, tool or machinery, as may be necessary or required by Law, which is not attributable to the fault of any employee of the LESSOR;
- j) cost of energy saving measures when, at the LESSOR discretion, such costs may significantly reduce the Operating Costs and will last for more than one year;
- k) cost of renewing the permit required to operate the Immovable; and
- l) the annual administration fee of DOLLARS (\$) per square foot [OR square metre] of the Leased Premises;

but it does NOT include:

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- i)* the cost of replacing or repairing the structures or structural components of the Immovable, including the roof, structural supports, ceilings, floors, foundations and exterior walls of the Immovable, but excluding normal maintenance costs or costs related to repairing the roof covering or the exterior siding of the Immovable;
- ii)* the amortization cost of the Immovable;
- iii)* any expense covered by a warranty, legal or conventional, where the LESSOR may recover the full amount of this expense;
- iv)* any provision for bad debts or loss of rent;
- v)* any expense attributable to the negligence by the LESSOR or one of its employees;
- vi)* any cost arising from a problem related to the construction or initial installation or a latent defect;
- vii)* any expense incurred for the benefit of a lessee of the Immovable;
- viii)* any expense incurred in connection with financing the Immovable;
- ix)* any expense that should have been paid by a lessee of the Immovable but that the LESSOR failed to collect;
- x)* the cost to acquire any decoration (sculpture, painting or other work of art) that is greater than DOLLARS (\$);
- xi)* the cost of any change or addition to the Immovable that is not considered necessary;
- xii)* the rent of the premises in the Immovable, exceeding (.....) square feet [OR square metres], occupied by the LESSOR's employees, it being understood that such costs must not exceed the average rent of the rented spaces in the Immovable;
- xiii)* any brokerage, legal, marketing, publicity or market research costs, in connection with rental incentives, assuming a lease or any other similar costs that were not incurred for the benefit of all lessees in the Immovable;
- xiv)* any amount withheld by a hypothecary creditor from the insurance proceeds payable to the LESSOR as well as any deductible related to an insurance claim;
- xv)* payment of any interest or principal on any loan of the LESSOR, other than any interest or principal payment incurred by the LESSOR in connection with any capital expense related to the operations of the Immovable, excluding rental incentives or Leasehold Improvements;

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xvi) any costs related to the LESSOR's Activities, other than those incurred for the operations of the Immovable;

from which the following amount must also be deducted:

- any amount received by the LESSOR from a third party in compensation for an infringement of any right of ownership relating to the Immovable, any movable property inside the Immovable or its operations;

0.01.20 PARTY

refers to a signing party to the Lease and includes its Legal Representatives;

0.01.21 Person

means a natural person, partnership, business corporation, cooperative, association, labour union, trust or any other organization, whether or not incorporated, or any public authority of any foreign, federal, provincial, territorial or municipal jurisdiction that is not a PARTY, and includes its legal representatives;

0.01.22 Prime Rate

means the annual prime rate that LESSOR's [OR LESSEE's] primary financial institution, (identify Canadian financial institution), sets from time to time to determine the fixed [OR variable] interest rate on loans it grants in Canadian dollars to its top-tier clients in Canada;

0.01.23 Property

means any movable property belonging to or rented by the LESSEE that is, from time to time, in the Leased Premises, excluding Leasehold Improvements;

0.01.24 Property Taxes

means the following property-related taxes imposed by any tax authority with regard to the Immovable and Common Areas, but excludes the LESSOR's capital and income taxes:

- a) municipal taxes;
- b) school taxes;
- c) water taxes;

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- d) business taxes;
- e) taxes on the Leasehold Improvements;
- f) garbage removal taxes;
- g) property tax; and
- h) any fees or expenses incurred by the LESSOR to contest or negotiate any reduction of the above-mentioned taxes with the governmental authorities;

0.01.25 Proportionate Share

means the ratio between the floor area of the Leased Premises and the Total Rentable Space expressed as a percentage;

0.01.26 Rent

means the Base Rent set out in Section 2.01 herein and the Additional Rent, set out in Subsection 2.02.02 plus, if applicable, any necessary adjustments;

0.01.27 Total Rentable Space

means, the total floor area measured in square feet [OR square metres] of all the premises available to be rented in the Building.

0.02 Entire Agreement

The Lease constitutes the entire understanding between the PARTIES. It supersedes any other written or verbal promise or covenant made prior to the date it was signed, any schedules attached to the Lease, and any future amendments agreed upon by the PARTIES that do not comply with Section 12.05 of the Lease.

0.03 Applicable Law

The Lease will be governed and interpreted in accordance with the federal and provincial Laws in effect in the Province of Quebec, Canada.

0.04 Non-Compliance

0.04.01 Severability

In the event that any provision of the Lease is deemed to be invalid or unenforceable, that provision must, whenever possible, be interpreted, construed, limited or, if necessary,

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