

OFFER TO LEASE (NET LEASE)

From: _____ The Lessee
and: _____ The Indemnifier
and: _____ The Indemnifier
To: _____ The Lessor

The Lessee offers to lease from the Lessor the Demised Premises described below, on the terms and conditions as set out in this Offer to Lease.

1. **Demised Premises**
An area of approximately _____ square feet, unit _____ (The Demised Premises), in the building known as _____ (The Property) in the City of _____ in the Province of Ontario and shown on a sketch attached as Schedule A.
2. **Use**
The Demised Premises shall be used only for _____.
3. **Term of the Lease**
The Lease shall be for a term of _____ months commencing on _____ (Lease Commencement Date).
4. **Basic Rent**
The Basic Rent payable by the Lessee for each month during the Lease term shall be:
a) \$ _____ per month plus HST during the first _____ months of the term.
b) \$ _____ per month plus HST during the next _____ months of the term.
c) \$ _____ per month plus HST during the next _____ months of the term.
Basic Rent shall be paid in advance to the Lessor each month, on the first day of the month by post dated cheque or at the option of the Lessor, by automatic Bank withdrawal.
5. **Utilities**
The Lessee shall pay for all electricity, gas, water and other utilities provided to the Demised Premises and shall register in its own name any separately metered utilities prior to occupancy.
6. **Additional Rent and Common Charges**
The Lessee shall pay a proportionate share of all expenses incurred by the Lessor in maintaining, repairing and replacing when necessary, elements of the Property and the Demised Premises. The expenses include but are not limited to:
a) ice and snow and garbage control and removal
b) landscaping, planters, paving, curbs, sidewalks
c) property taxes, levies, assessments, duties
d) utilities
e) services and equipment
f) the exterior and the common areas
g) insurance
h) water heater, signage and equipment rental
i) management and administration fees
j) any other expenses incurred by the Lessor to maintain the Property in a first class manner.
The current year estimate for these expenses is \$ _____ per month, plus HST, and is payable in advance to the Lessor each month on the first day of the month, by post dated cheque.
7. **Lessee's Maintenance**
a) The Lessee shall maintain (including preventative maintenance), at the Lessee's expense, the Demised Premises in good order and shall repair, and if necessary replace, any elements as required.
b) The Lessor gives no warranty as to the fitness and operability of any air conditioning unit(s) servicing the premises. The Lessor is not responsible for any repairs or replacement of the air conditioning unit(s).
8. **Lessee's Insurance**
The Lessee shall maintain an insurance policy insuring the Lessee's liability, contents and plate glass and any other insurance requirements in the Lease.
9. **Signage**
The Lessee may, at its expense erect signage, subject to the Lessor's written approval and all applicable municipal bylaws and approvals. The Lessee shall pay \$ _____ per month, plus HST, for its share of signboard, or pylon signage rental.
10. **Lessee's Work**
The Lessee shall accept the Demised Premises on an "as is basis". The Lessee may improve or alter the Demised premises only with the prior written consent of the Lessor.
11. **Execution of the Lease**
The Lease will be in the Lessor's standard form and prepared at the Lessor's expense incorporating the terms and conditions of this Offer to Lease. The Lease will be executed by the Lessee within 5 days of receipt of the Lease or prior to occupancy whichever first occurs. If the Lessee occupies the Demised Premises prior to the Lease Commencement Date or prior to executing the Lease, the Lessee shall be bound by all of the terms, covenants and agreements contained in the Lease. The Lease shall be totally net and carefree to the Lessor.
12. **Occupancy and Rent to Abate**
In the event that the Demised Premises are not substantially ready for occupancy on the Lease Commencement Date, the Basic Rent shall abate to the extent of the delay, and the Lessor shall not be liable in any way.

13. **Assignment**
 This Offer to Lease shall not be assignable or transferable by the Lessee. The Lessee shall not sublet all or any part of the Demised Premises or assign its interest in the Lease, without the prior written consent of the Lessor.

14. **Good Faith Deposit**
 The Lessee delivers a negotiable cheque in the amount of \$ _____ payable to _____ to be held in trust as security for the faithful performance by the Lessee of all the terms and conditions of this Offer to Lease and to be returned if this Offer to Lease is not accepted by the Lessor. This deposit shall be a minimum equal to the first and last month Basic Rent, Additional Rent and Common Charges, Signage and Equipment Rental, plus HST.

15. **Prepaid Rent and Security Deposit**
 Under the terms of the Lease, the Good Faith Deposit shall be applied as follows:

Monthly Basic Rent	\$ _____
Monthly Additional Rent and Common Charges	_____
Monthly Signage and Equipment Rental	_____
Monthly HST	_____
Monthly Total	\$ _____

To be credited to the _____ month of the Lease.

The balance of the Good Faith Deposit shall be applied as a Security Deposit for the faithful performance by the Lessee of all the terms and covenants contained in the Lease.

16. **Representation**
 The Lessee acknowledges having inspected the Demised Premises and it is understood and agreed that there are no representations or warranties expressed or implied, except those set out in this Offer to Lease. The Lessee shall obtain an occupancy permit and building permit as may be required.

17. **Binding Agreement**
 Acceptance of this Offer to Lease by the Lessor will constitute a binding Agreement between the Lessee and the Lessor, and time shall be of the essence.

18. **Credit Information**
 The Lessee authorizes the Lessor to obtain credit information regarding the Lessee. This Offer to Lease may at the option of the Lessor be voided if a satisfactory credit report is not obtained.

19. **Facsimile**
 The Lessee and the Lessor agree that a facsimile signature of the Lessee and the Lessor, shall be binding for this Offer to Lease. Lessee's Facsimile _____
 Lessor's Facsimile 416-650-1736.

20. **Revocation**
 This Offer to Lease shall be irrevocable by the Lessee and open for acceptance by the Lessor until 4:30 P.M. on _____ after which time if not accepted by the Lessor, this Offer to Lease shall be null and void and the Good Faith Deposit shall be returned in full.

DATED at _____ this _____ day of _____

_____ WITNESS	_____ LESSEE I have the authority to bind the corporation	_____ Date
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_____ WITNESS	_____ INDEMNIFIER	_____ Date
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_____ WITNESS	_____ INDEMNIFIER	_____ Date
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_____ LESSOR I have the authority to bind the corporation	_____ Date
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It is understood that the following Real Estate Broker(s) are representing the Lessor for a fee.

Upon the execution of the Lease by the Lessee and the Lessor, upon occupancy of the Demised Premises by the Lessee, and upon receipt of all monies required from the Lessee, a commission will be payable by the Lessor to _____.

The commission is calculated as follows:

Basic Rent for year 1 of the term _____ x _____% = _____

Basic Rent for years _____ of the term _____ x _____% = _____

(Commission will be calculated to a maximum of 5 years)

Total Commission Payable _____