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Agreement to Lease Commercial - Long Form

Form 510

for use in the Province of Ontario

GENERAL USE: The Agreement to Lease is the document that is used to state the Tenant's desire to lease the property, and to negotiate the terms of the lease. It is often referred to as an "Offer". This document also allows the Tenant an opportunity to set out in detail all of the terms and conditions they wish to be part of their Offer when leasing the Landlord's property. After the Offer is prepared and signed by the Tenant, it is presented to the Landlord for acceptance. The Landlord, in turn, may want to make changes to the Offer for the Tenant to consider. This process can continue back and forth several times in an effort to reach an agreement.

This is the date that the document is created. This date is used to identify this Offer. The next portion sets out the parties.

This Agreement to Lease (Agreement) dated this day of..... 20.....

TENANT:.....
(Full legal names of all Tenants)

LANDLORD:.....
(Full legal names of all Landlords)

The Tenant hereby offers to lease from the Landlord the premises as described herein on the terms and subject to the conditions as set out in this Agreement. For the purposes of this Agreement to Lease "Tenant" includes lessee and "Landlord" includes lessor.

1. PREMISES: *The premises that are to be leased are described next together with their area and location in the building.*

1. PREMISES: The "Premises" consisting of approximately more or less on the..... floor of the "Building" known municipally as..... in the..... of....., Province of Ontario, as shown outlined on the plan attached as Schedule ".....".

2. USE: *The specific use that the Tenant wishes to undertake in the Premises is described.*

2. USE: The Premises shall be used only for.....

3. TERM OF LEASE: *The length of the lease is provided. Further if there are to be any rights of renewal those are set out here.*

3. TERM OF LEASE:

(a) The Lease shall be for a term of..... (.....) months commencing on the..... day of....., 20....., and terminating on the..... day of....., 20.....

(b) Provided the Tenant is not at any time in default of any covenants within the Lease, the Tenant shall be entitled to renew this Lease for additional term(s) of..... months (each) on written notice to the Landlord given not less than..... months prior to the expiry of the current term at a rental rate to be negotiated. In the event the Landlord and Tenant can not agree on the fixed minimum rent at least two months prior to expiry of the current lease, the fixed minimum rent for the renewal period shall be determined by arbitration in accordance with the Arbitration Act or any successor or replacement act.

4. RENTAL: *The amount of rent to be paid is inserted here. This may change from year to year. Since this is a commercial lease, Harmonized Sales Tax (HST) and other taxes are in addition to the rent. The date that the payment of rent is to commence is set out in this paragraph. Rent is to be adjusted if it is determined that the measurements are different from numbers set out in paragraph 1.*

4. RENTAL: Fixed minimum rent: The fixed minimum rent payable by the Tenant for each complete twelve-month period during the lease term shall be:

From..... to	being \$.....	based upon \$.....
(inclusive) (per annum) (per month) (per sq) (foot/metre)		
From..... to	being \$.....	based upon \$.....
(inclusive) (per annum) (per month) (per sq) (foot/metre)		
From..... to	being \$.....	based upon \$.....
(inclusive) (per annum) (per month) (per sq) (foot/metre)		
From..... to	being \$.....	based upon \$.....
(inclusive) (per annum) (per month) (per sq) (foot/metre)		

plus HST, and other tax (other than income tax) imposed on the Landlord or the Tenant with respect to rent payable by the Tenant, payable on:

(Check one box only)

- the..... day of each month commencing.....
- the..... day of the first month immediately following completion of the Landlord's Work.

The fixed minimum rent shall be adjusted if the actual measurements of the Leased Premises differ from the approximate area. The actual measurement shall be agreed upon and failing agreement, calculated by an Ontario Land Surveyor/Architect using the current Building Owners And Managers Association standard form of measurement and shall be binding on both parties.

INITIALS OF TENANT(S): 

INITIALS OF LANDLORD(S): 

5. **DEPOSIT AND PREPAID RENT:** A deposit is to be paid with the Offer which shall secure the first and last months' rent. If the Offer is not accepted then the deposit is to be returned without interest.

5. **DEPOSIT AND PREPAID RENT:** The Tenant delivers..... (Herewith/Upon acceptance/as otherwise described in this Agreement) "Deposit Holder" by negotiable cheque payable to..... in the amount of..... Canadian dollars (\$.....) to be deposited and held in trust as security for the faithful performance by the Tenant of all terms, covenants and conditions of the Agreement and after the earlier of occupancy by the tenant or execution of the Lease to be applied by the Landlord against the and.....month's rent and HST. If the Agreement is not accepted, the deposit is to be returned to the Tenant without interest or deduction. For the purposes of this Agreement, "Upon Acceptance" shall mean that the Tenant is required to deliver the deposit to the Deposit Holder within 24 hours of the acceptance of this Agreement. The parties to this Agreement hereby acknowledge that, unless otherwise provided for in this Agreement, the Deposit Holder shall place the deposit in trust in the Deposit Holder's non-interest bearing Real Estate Trust Account and no interest shall be earned, received or paid on the deposit.

6. **SERVICES:** This provision determines whether the Tenant or the Landlord are to pay for utility and other services to the Premises.

6. **SERVICES: (Check one box only)**

The Tenant shall pay the cost of hydro, gas, water, heating, air-conditioning and for all other services and utilities as may be provided to the premises. The tenant shall arrange with the local authority for connection of gas, electricity and water in the name of the Tenant.

The Landlord shall pay the cost of hydro, gas, water, heating, air-conditioning and for all other services and utilities as may be provided to the premises.

7. **ADDITIONAL RENT AND CHARGES:** There may be additional charges to the Tenant.

7. **ADDITIONAL RENT AND CHARGES:**

Check this box if Additional Rent as described below to be paid by Tenant

The Tenant shall additionally pay a proportionate share of all costs and expenses incurred by the Landlord in maintaining, operating, cleaning, insuring and repairing the property and, without limiting the generality of the foregoing, such costs and expenses shall include the costs of:

- (i) snow, garbage, and trash removal;
- (ii) landscaping and planters;
- (iii) heating, ventilating and air-conditioning, and providing hot and cold water and other utilities and services to, and operating the common areas of the property, and maintaining and repairing the machinery and equipment for such utilities and services;
- (iv) the realty taxes, assessments, rates, charges and duties levied or assessed against the property (save any tax on the personal income of the Landlord);
- (v) insuring the property and such other insurance as the Landlord will effect against public liability, property damage, loss of rental income and other casualties and risks.
- (vi)
-
-
-

8. **SCHEDULES:** Many agreements have schedules to identify provisions in addition to the ones in the pre-printed form.

8. **SCHEDULES:** The Schedules attached hereto shall form an integral part of this Agreement to Lease and consist of: Schedule(s).....

9. **IRREVOCABILITY:** The party submitting the Offer to the other side agrees to allow the other side until that deadline to accept the Offer. The submitting party is not permitted to withdraw their Offer prior to that time. The seal beside their signature shows that the submitting party has received something of value for this irrevocable Offer.

9. **IRREVOCABILITY:** This offer shall be irrevocable by..... until..... on the day of, 20....., after which time if not accepted, this offer shall be null and void and all monies paid thereon shall be returned to the Tenant without interest or deduction.

10. **NOTICES:** Under the Agreement there will be requirements to deliver notices to the other side. This provision highlights various methods that would be available to deliver these notices.

10. **NOTICES:** The Landlord hereby appoints the Listing Brokerage as agent for the Landlord for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage (Tenant's Brokerage) has entered into a representation agreement with the Tenant, the Tenant hereby appoints the Tenant's Brokerage as agent for the purpose of giving and receiving notices pursuant to this Agreement. **Where a Brokerage represents both the Landlord and the Tenant (multiple representation), the Brokerage shall not be appointed or authorized to be agent for either the Tenant or the Landlord for the purpose of giving and receiving notices.** Any notice relating hereto or provided for herein shall be in writing. In addition to any provision contained herein and in any Schedule hereto, this offer, any counter-offer, notice of acceptance thereof or any notice to be given or received pursuant to this Agreement or any Schedule hereto (any of them, "Document") shall be deemed given and received when delivered personally or hand delivered to the Address for Service provided in the Acknowledgement below, or where a facsimile number or email address is provided herein, when transmitted electronically to that facsimile number or email address, respectively, in which case, the signature(s) of the party (parties) shall be deemed to be original.

FAX No.: (For delivery of Documents to Landlord) FAX No.: (For delivery of Documents to Tenant)

Email Address: (For delivery of Documents to Landlord) Email Address: (For delivery of Documents to Tenant)

INITIALS OF TENANT(S):

○

INITIALS OF LANDLORD(S):

○

11. **LANDLORD'S AND TENANT'S WORK:** *If it is necessary to do any work to the Premises, there may be Schedules attached describing the work to be done by either or both the Landlord and Tenant.*
11. **LANDLORD'S AND TENANT'S WORK:** The Landlord agrees to complete the work described as the "Landlord's Work" in Schedule "....." attached hereto. The Tenant agrees to complete any additional work necessary to prepare the Premises for the Tenant's use, described as "Tenant's Work" in Schedule "....." attached hereto. The Tenant shall not proceed with any work within or affecting the Premises without the Landlord's prior written approval, which approval shall not be unreasonably withheld.
12. **SIGNAGE:** *If the Tenant wishes to have a sign it would be at the expense of the Tenant and only with the approval of the Landlord and in compliance with municipal by-laws and government regulations.*
12. **SIGNAGE:** The Tenant may, at its own expense, erect signage in a good and workmanlike manner, subject to municipal by-laws and government regulations and subject to the Landlord's written approval as to the design, colour, and content of any such signs, which approval shall not be unreasonably withheld, and to be located as follows:
13. **INSURANCE:** *The Tenant agrees to obtain insurance for the property and the Tenant's operations that would be usual and any other insurance that the Landlord may reasonably require.*
13. **INSURANCE:** The Tenant agrees to insure the property and operations of the Tenant, including insurance for fire and such additional perils as are normally insured against, liability insurance and any other insurance as may be reasonably required by the Landlord.
14. **EXECUTION OF LEASE:** *The parties agree that the form of lease will be drawn by the Landlord and is to signed by both the Landlord and Tenant before any work is done to the Premises or any occupancy of the Premises.*
14. **EXECUTION OF LEASE:** The Lease shall be prepared by the Landlord at the Landlord's expense, in accordance with the terms and conditions of this Agreement. The Lease will be signed and executed by both parties hereto prior to the commencement of work on the premises by either party and prior to occupancy by the Tenant.
15. **OCCUPANCY OR RENT TO ABATE:** *If the Landlord has not completed the Landlord's work then rent is not to be paid by the Tenant and that is to be full settlement of any claims the Tenant may have.*
15. **OCCUPANCY OR RENT TO ABATE:** In the event the premises are not completed by the Landlord for occupancy by the Tenant on the date set out herein for commencement of the Term of the Lease, the rent under this agreement shall abate to the extent of such delay, and the Tenant hereby agrees to accept such abatement of rent in full settlement of all claims which the Tenant might otherwise make because the Premises were not ready for occupancy by the said date.
16. **ASSIGNMENT:** *The Tenant is not allowed to assign the Agreement to Lease. However, the Tenant may assign or transfer the interest in the Lease with the consent of the Landlord which consent may not be unreasonably withheld.*
16. **ASSIGNMENT:** This Agreement to Lease shall not be assignable or otherwise transferable by the Tenant. The Tenant may not sublet or assign or transfer its interest in the Lease contemplated herein without securing the written consent from the Landlord, which consent shall not be unreasonably withheld, provided however, if the consent is granted, the Tenant shall remain liable for all obligations under the Lease. If the Tenant is a corporation, the transfer of the majority of the issued shares in the capital stock, or any transfer, issuance or division of shares of the corporation sufficient to transfer control of the corporation shall be deemed for all purposes to be an assignment within the meaning of this Agreement and any Lease. This provision shall not apply to a corporation whose shares are listed and traded on any recognized public stock exchange in Canada or the United States.
17. **PARKING:** *Unless otherwise detailed in this paragraph parking is in common with other tenants and not reserved.*
17. **PARKING:** Unless otherwise stipulated, parking, if applicable, shall be in common and unreserved.
18. **AGREEMENT IN WRITING:** *If there is a conflict or discrepancy between any of the pre-set (preprinted) clauses and anything that has been added to the Agreement, then added parts supersede the pre-set clauses. Further there no other agreements between the Landlord and Tenant other than those contained in this Agreement.*
18. **AGREEMENT IN WRITING:** If there is any conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement, including any Schedule attached hereto, shall constitute the entire Agreement between Landlord and Tenant. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. This Agreement shall be read with all changes of gender or number required by the context.
19. **LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE:** *This clause states that no information the Landlord and Tenant have been given by the real estate sales people shall be considered to be Legal, Accounting or Environmental Advice. If these factors impact the transaction or valuation, the Landlord and Tenant should seek independent professional expert advice.*
19. **LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE:** The parties acknowledge that any information provided by the broker is not legal, accounting, tax or environmental advice, and that it has been recommended that the parties obtain independent professional advice prior to signing this document.
20. **ELECTRONIC SIGNATURES:** *This provision ensures compliance with the Electronic Commerce Act in that it is necessary that the parties to an agreement consent to the use of electronic signatures.*
20. **ELECTRONIC SIGNATURES:** The parties hereto consent and agree to the use of electronic signatures pursuant to the *Electronic Commerce Act, 2000, S.O. 2000, c17* as amended from time to time with respect to this Agreement and any other documents respecting this transaction.

INITIALS OF TENANT(S):

INITIALS OF LANDLORD(S):

21. **BINDING AGREEMENT:** Once accepted this Agreement is considered a binding agreement by the parties to enter into a lease.

21. BINDING AGREEMENT: This Agreement and the acceptance thereof shall constitute a binding agreement by the parties to enter into the Lease of the Premises and to abide by the terms and conditions herein contained.

22. **SUCCESSORS AND ASSIGNS:** In the event one of the parties dies before closing their heirs and executors are bound by the Agreement.

22. SUCCESSORS AND ASSIGNS: The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein.

Tenant and Landlord sign under seal.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

.....
(Witness) (Tenant/Authorized Signing Officer) (Seal) (Date)
(Witness) (Tenant/Authorized Signing Officer) (Seal) (Date)
(Witness) (Guarantor) (Seal) (Date)

We/I the Landlord hereby accept the above offer, and agree that the commission together with applicable Harmonized Sales Tax (and any other tax as may hereafter be applicable) may be deducted from the deposit and further agree to pay any remaining balance of commission forthwith.

.....
(Witness) (Landlord/Authorized Signing Officer) (Seal) (Date)
(Witness) (Landlord/Authorized Signing Officer) (Seal) (Date)

CONFIRMATION OF ACCEPTANCE: When all the parties have accepted the Agreement, then the last person to sign confirms when that happened.

CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and written was finally accepted by all parties at this day of, 20.....
(a.m./p.m.)

(Signature of Landlord or Tenant)

INFORMATION ON BROKERAGE(S)

Listing Brokerage (Tel.No.)
..... (Salesperson/Broker/Broker of Record Name)
Co-op/Tenant Brokerage (Tel.No.)
..... (Salesperson/Broker/Broker of Record Name)

ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Agreement to Lease and I authorize the Brokerage to forward a copy to my lawyer.

..... (Date)
..... (Date)
Address for Service.....
..... (Tel. No.)
Landlord's Lawyer.....
Address.....
Email.....
..... (Tel. No.) (Fax. No.)

I acknowledge receipt of my signed copy of this accepted Agreement to Lease and I authorize the Brokerage to forward a copy to my lawyer.

..... (Date)
..... (Date)
Address for Service.....
..... (Tel. No.)
Tenant's Lawyer.....
Address.....
Email.....
..... (Tel. No.) (Fax. No.)

FOR OFFICE USE ONLY

COMMISSION TRUST AGREEMENT

To: Co-operating Brokerage shown on the foregoing Agreement to Lease:

In consideration for the Co-operating Brokerage procuring the foregoing Agreement to Lease, I hereby declare that all moneys received or receivable by me in connection with the Transaction as contemplated in the MLS Rules and Regulations of my Real Estate Board shall be receivable and held in trust. This agreement shall constitute a Commission Trust Agreement as defined in the MLS Rules and shall be subject to and governed by the MLS Rules pertaining to Commission Trust.

DATED as of the date and time of the acceptance of the foregoing Agreement to Lease.

Acknowledged by:

.....
(Authorized to bind the Listing Brokerage)

.....
(Authorized to bind the Co-operating Brokerage)