

PROPOSAL TO LEASE

11th Avenue Place
c/o Prism Group
Suite 228, 1935 - 32nd Avenue NE
Calgary, AB, T2E 7C8

Calgary, Alberta
T2P 1C9

Attention: Mr. Ali Ghani

Re: Proposal to Lease for 214 -11th Avenue SW, Calgary, Alberta (the “Building”), for a portion of the XX level of the Building comprising approximately XXXX square feet.

We, the Tenant, are pleased to extend the following Proposal to Lease (the “Proposal”) in the Building, on the following terms and conditions:

1. Landlord: **11th Avenue Place.**

2. Tenant: **Insert Name of Tenant**

3. Premises:
The Premises shall a portion of the lower floor of the Building known as Suite XXXX, as outlined in black on the attached Schedule “A”. The Premises is estimated to comprise a rentable area of approximately XXXX square feet, subject to final measurement as measured in accordance with BOMA 1996 standards as further defined in the Lease.

4. Use:
The Premises shall be used and occupied as office space.

5. Commencement Date:
The Commencement Date shall be January 1, 2013.

6. Term of Lease:
The Term of Lease shall be ten (10) years from the Commencement Date.

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7. Basic Rent:

The Tenant will pay as rent, an annual Basic Rent in equal monthly installments, in advance, on the first day of each month, calculated at an annual rate per square foot of rentable area as follows:

- i. Years 1 - 5 \$26.00
- ii. Years 6 – 10 Market Rates

8. Additional Rent:

In addition to Basic Rent, the Tenant shall be responsible for its pro-rata share of all costs, charges and expenses attributable to the operation, repair, maintenance, janitorial services, utility consumption and management of the Building including realty taxes as further defined in the Landlord’s standard form of lease.

- i. This cost is estimated at Eleven Dollars and no Cents (\$11.00) per square foot of Rentable Area, per annum for 2013.

9. Tenant Improvement Allowance:

The Landlord shall provide the tenant with a Tenant Improvement Allowance in the amount of \$40 per square foot. The Landlord shall make payment to the Tenant the Allowance at such time as all work is complete, the City of Calgary has inspected the Work and granted occupancy, and the Tenant has made all payments in full to the Tenants Contractor. The Tenant shall provide evidence of the costs incurred and the payment of the Contractor to the Landlord prior to the Landlord issuing payment of the Allowance to the Tenant.

10. Condition of Premises:

The Premises shall be taken in as-is condition excepting those items outlined as Landlord’s Work in Schedule “B” of this Proposal.

11. Goods & Services:

Unless otherwise noted, amounts in this Proposal do not include the Goods and Services Tax.

12. Signage Area:

Tenant shall have the right to install signage in the signage board area at no cost for the term of the lease. All additional signage must be approved by the Landlord prior to installation, acting reasonably.

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13. Assignment & Subletting:

The Tenant shall have the right to assign, sublet or transfer the Premises with prior consent of the Landlord, such consent not to be unreasonably withheld, and shall be subject to the rights of the Landlord as set forth in the Lease.

- i. Any such assignment, sublet or transfer shall not relieve the Tenant of its covenants and obligations under the Lease.
- ii. The Tenant shall indemnify and hold harmless the Landlord from and against any and all damages, loss, costs, expenses sustained or incurred by the Landlord by reason of any default by the Tenant under such further assignment, sublet or transfer by the Tenant.

14. Deposit:

Upon unconditional acceptance of this Proposal, the Tenant will provide a deposit payable to 11th Avenue Place (“in trust”) in the amount of two (2) months Basic Rent, Additional Rent and G.S.T, to be held on behalf of the Tenant without liability for interest, as security for the faithful performance by the Tenant of the covenants and obligations to be performed by the Tenant pursuant to this Proposal. If after unconditional acceptance of this Proposal, the Tenant fails to honor and perform all of its covenants and obligations under this Proposal, the deposit shall be absolutely forfeited to the Landlord by way of partial payment of liquidated damages (and not as a penalty) without prejudicing any other rights which the Landlord has with respect to default by the Tenant under this Proposal.

- i. Without liability for interest, the Deposit shall be applied by the Landlord towards the first installment of Basic Rent, Additional Rent and G.S.T and the remainder held as a security deposit to the end of the Term as security for the faithful performance by the Tenant of the covenants and obligations to be performed by the Tenant pursuant to the Lease.

15. Conditions:

- a. This Proposal is conditional upon the Landlord having Five (5) business days from conditional acceptance of this

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Proposal to satisfy itself that the Tenant's financial status is satisfactory.

- i. Tenant agrees to provide Landlord with financial information relating to the Tenant, as Landlord may request.
- b. This Proposal is conditional upon the Landlord's Senior Management approval within Five (5) business days from conditional acceptance of this Proposal.
- c. This Proposal is conditional upon the Landlord negotiating unencumbered vacant possession of the Premises prior to the Commencement Date.
- d. The above conditions (a), (b) and (c) are for the sole benefit of the Landlord and may only be waived by the Landlord. In the absence of notice to the contrary by or on behalf of the Landlord to the Tenant given prior to the expiration of the time periods stated for satisfaction of these conditions, they shall be deemed not to have been satisfied or waived.

16. Lease:

The Lease shall be in the Landlord's standard form completed to reflect the terms of this Proposal. Tenant shall execute such form completed forthwith, subject to such non-monetary amendments as may be agreed upon by Landlord and Tenant acting reasonably, and Tenant shall have no right to occupy or access the Premises for any purpose until it has done so

17. Waiver to Broker:

The parties to this Agreement acknowledge that the Broker / Landlord has recommended that they obtain advice from their legal Counsel prior to signing this document. The parties further acknowledge that the information provided by the Broker is not to be construed as expert legal or tax advice and the parties are cautioned not to rely on any such information without seeking specific legal or tax advice with respect to their unique circumstance.

ACCEPTANCE PAGE TO FOLLOW

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ACCEPTANCE PAGE

This Proposal is open for your acceptance until, 4:00 P.M. Mountain Standard Time, *Insert Date* and if not accepted by then, will be null and void and of no further effect.

DATED at the City of _____, this ____ day of _____, 2011.

TENANT’S NAME

Per: _____
Authorized Signature

LANDLORD’S ACCEPTANCE:

The Landlord hereby accepts the above Proposal upon the terms and conditions stated herein.

DATED at the City of _____, this ____ day of _____, 2011.

11TH AVENUE PLACE

Per: _____
Authorized Signature

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SCHEDULE "A"
THE "PREMISES"

Insert Plan Here

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SCHEDULE "B"
LANDLORD'S WORK

The landlord shall complete the following work in the Premises at a date to be mutually agreed upon by Landlord and Tenant, both acting reasonably, at Landlord's sole cost, as set out in the attached Schedule B on the following pages:

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